

# Entrepreneurs

“Everyone can be more enterprising, but not all of us can be entrepreneurs.”

**Fraser Doherty - Superjams**

“When I am determined to do something, I usually do it”

**Duncan Bannatyne**

# Which entrepreneur, which business?



- Facebook
- Tennis Academy
- WhatsApp
- Operating Systems
- Student Magazine
- Ice Creams

# What is an entrepreneur?

- 1 -An individual has an idea that they think will make them money. The idea works and they end up with a successful business earning lots of profit and securing their future.
- 2- You and your friends decide that you are sick of hanging around at the park because it is full of litter and rubbish dumped by fly tippers; therefore you decide to clean it up. The council are really pleased and pay for you and your friends to go to Alton Towers for the day.

# What is an entrepreneur?

Watch the following clip of a Steve Jobs speech at Stanford University. Click on the picture.



1. Write down three things that you remember about the speech.
2. Why do you think the speech was described as “inspirational”?

# What is an entrepreneur?

Click on the logo and look at the 2 definitions of an entrepreneur. Which aspects of these descriptions apply to Steve Jobs?



# Enterprise

- **Social Enterprise**

When an individual has an idea, takes a risk and which rewards society.

- **Business Enterprise**

When an individual has an idea, takes a risk for a potential reward (profit).

REMEMBER – Enterprise is the starting point for any Business!!

# How do entrepreneurs get ideas?

Where did Simon Lee get his inspiration for his translation Business from? Click on the logo to find out.



Creating and setting up a business starts with an idea, these can be the result of:

- Brainstorming
- Personal experience
- Business experience
- Market research

# Running and developing a Business

Creating and setting up a Business involves a number of steps;

- Generating an idea
- Asking if the idea can add value
- Conducting market research
- Drawing up a business plan
- Deciding on legal structure
- Raising finance



# Risk v Reward

## Do you know the difference?

- What are the risks and rewards of being entrepreneurial?
- Do risks outweigh rewards?
- Are you a risk taker or risk averse?

Risks	Rewards
<ul style="list-style-type: none"><li>• Financial<ul style="list-style-type: none"><li>• Money Invested</li><li>• Salary foregone</li></ul></li><li>• Esteem<ul style="list-style-type: none"><li>• Fear of failure</li><li>• Proving self</li></ul></li><li>• Commitment<ul style="list-style-type: none"><li>• Time and effort</li><li>• Loss of personal/social time</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Profit motive<ul style="list-style-type: none"><li>• Return on Investment</li><li>• Future security</li></ul></li><li>• Being own boss<ul style="list-style-type: none"><li>• Taking decisions</li><li>• Not taking orders!</li></ul></li><li>• Self actualisation<ul style="list-style-type: none"><li>• Self satisfaction</li><li>• Achievement</li></ul></li></ul>

# Risk v Uncertainty

Do you know the difference between the two?

## Risk

It can be highlighted through;

- Market research
- Knowing the market
- Identifying the losses to you
  - Business Plans

## Uncertainty

It can be avoided by;

- Keeping up to date with current business climate e.g. economic and political changes
- Making contingency plans
- Spreading risk e.g. having a number of products or suppliers

# Plenary

Guess the entrepreneur?



# Business Review

## Volume 16, 2009-2010



**Phil Waterhouse** profiles Greg Wilson, owner of Urban Truant and an entrepreneur who is not afraid to switch businesses when he spots an opportunity

Looking back at my friends from school and university it was fairly clear which of us would go on and make the business ideas we came up with a reality and which of us would prefer to work in a business for somebody else. The definitions of 'entrepreneur' are many and varied, but the general agreement is that it is somebody who organises, manages and assumes the risk of a business or enterprise. The word is derived from the French *entreprendre*, which means 'to undertake'.

### Greg Wilson

I first met Greg while studying at university. From the outset, he was someone who understood about making the most of his opportunities and making decisions that would prove fruitful in the long term. Greg chose a degree course in management science, which included useful modules in economics and management. A significant

proportion of the course was in computer programming and software skills, a relatively new area at the beginning of the 1990s. As Greg identified:

Graduating with a good degree and having specific skills in the new area of computing meant that I was readily employable — not only did I have knowledge of the most up-to-date programs, I was also willing to learn more about how these programs were used in the private sector. By doing this, I could advance further and look at areas that were perhaps neglected.

In the years from 1995 to 1999, Greg worked for a number of large organisations: Dunn & Bradstreet, CIGNA and Glaxo-SmithKline. Each of these experiences was formative and useful, but there was a nagging concern in Greg's mind:

It was frustrating working in an environment where decision-making was so slow and I was

getting restless — I wanted to be my own boss and so I decided that I wanted to go it alone. Some of my friends had started working as contractors in the IT industry and I decided that this was the time to follow suit.

Greg set up his own private limited company, Netex Technology Ltd, which concentrated on providing hands-on technical support for companies of all sizes. The timing of this new business coincided with the growing fears about the millennium bug, which had many commentators fearing that all of the world's computers would crash as the date moved from 1999 to 2000. This was a fantastic opportunity for Greg — customers paid huge sums to make sure that their computer and network systems would be safe as the new millennium approached. It was a profitable and busy time and it allowed Greg to build up some serious start-up capital for his new business venture.

### Urban Truant

Having enjoyed a sailing holiday in the Caribbean, Greg discovered a new passion and he decided to complete a Yachtmaster qualification. This was a lengthy and costly process, but highly enjoyable. During the course he felt that he had spotted a gap in the market. One of the key requirements of a start-up business is conducting market research. Studying for his course at a sailing school on the River Hamble near Southampton, Greg was able to speak to instructors, obtain information about buying boats and then see if he could exploit a business opportunity doing something he loved.

From this, he came up with the idea of a company called Urban Truant, the premise being to provide corporate entertainment using sailing as the USP. The location of Hamble was excellent — not only is it an internationally recognised sailing location, it also has great infrastructure and good access to the Isle of Wight, with the possibility of exploiting events such as Cowes Week. With the help of his partner Laura, Greg felt that a package could be provided that would replicate his experience in the Caribbean: offering boat charters with a bespoke service and excellent culinary delights that would attract a certain target audience.

The decision about what kind of boat to purchase was daunting. Not only are boats expensive to buy, they are also extremely costly to run. In addition, the depreciation (loss in value) of boats is high. Greg finally decided on a Dufour 40 performance yacht. This is a well respected boat that sleeps up to 12 people. The initial outlay for the business was \$175,000, and the payback on this sum was thought to take just over 5 years.

The mission of Urban Truant was to attract people from the cities to spend a weekend or a week sailing around the Solent with a highly qualified crew, enabling them to experience life on the water. Using contacts from previous business ventures and Laura's background in PR, Urban Truant attracted a steady stream of customers. It also negotiated deals with other companies, whereby the companies had an option to use the yacht when it was not being used by Urban Truant. This meant that Greg was still earning money even when the company was not busy. In addition, Greg also continued his IT consultancy business, which became a cash cow — he could continue to earn money



Greg Wilson doing what he loves best: sailing

from this side of the business to support the development of the Urban Truant brand.

### Growing the brand

Greg realised that the sailing market is a niche option. Under the same brand name and through a friend who owned a chalet in the Alps he decided to offer ski holidays as well. Once again, the market sector they were aiming at was towards the upper end. This offered potentially higher profits. At the same time, Greg also purchased a new RIB (rigid inflatable boat, the type used by coastguards). The advantages of this boat over the yacht is that customers can be up and on the water within 20 minutes of arriving at the Marina, as opposed to taking an hour with safety talks and the rigging of the yacht. The speed of the RIB and its range provided Greg with greater options and varieties of packages to offer to his clients.

### What of the future?

Greg and Laura had their first child 2 years ago and the arrival of their second is imminent. This has led Greg to review his business objectives and reassess what his main focus is to be over the coming years. The running of the different aspects of the business had been extremely time-consuming.

While the boating side of the business provided steady profitability, the returns were not as significant as his earnings from IT. Greg decided that it was time to return to the core competencies that had made him

successful — the IT consultancy. He chose to re-brand and combine the Netex and Urban Truant brands under one umbrella and invest more into web development and e-commerce opportunities. Through this he is now offering what he calls 'big business solutions at small business prices', developing websites such as 'Adore my dress', a site that offers women an opportunity to buy and sell evening dresses and dresses for special occasions. As Greg sees it, 'there is money in the sailing world, but as a smaller entrepreneur, it is hard to access the larger profits which are more easily achieved within the IT sphere'.

### Natural entrepreneur?

So are people natural entrepreneurs? I'm still not sure, but what is clear from Greg's story is never to stop looking for opportunities to develop your ideas and to know when and how to make them successful. Entrepreneurs have drive and are willing to take risks, but as Greg and others before him have proved, these tend to be calculated risks using the best information available to them. Success is also about timing and, to some degree, luck.

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