

Are you an Owner or Entrepreneur?

What is the difference? What is an entrepreneur? The standard definition is “someone in possession of a venture, idea or innovation around which he or she builds a business.” It’s a person who takes risks to succeed. Today’s entrepreneur has become almost synonymous with “business owner,” but the reality is that there are many business owners who are not entrepreneurs.

Among those of us with small businesses, there’s a long-standing belief that you can just call yourself an “entrepreneur,” and voila, you are one. But that is not true.

Example:

A Business Owner= A jeweler who owns a jewelry store

An Entrepreneur= A person who owns a jewelry store and builds a list of customers and has web offers, runs jewelry parties, sends email news, organizes tours to diamond mines for rich clientele to pick their own diamond, has other luxury product stores and affiliate relationships with them, attends events to meet potential clients, becomes involved in the community, etc.

Entrepreneurial companies are oriented to growth and expansion. They have big ideas. They dream big and they think big. They often don’t even know if they’re ideas are possible, which gets them even more excited. From inception to death, they live and thrive (or die) on innovation, adaptation and implementation of a product or service. Entrepreneurs are savvy and see the trade-off between size and control.

Small Business Owners, on the other hand, are created to fund the day-to-day desires and needs of themselves and their employees/family. They, too, have great ideas. They solve problems in their community. They know their business. They know what makes their customers happy and serve them well. Most SBOs are closely held, often a singular possession or with a limited number of investors who tend to be “related” in some way, such as being family or friends. They manage their employees, network with the customers, and keep moving steadily along.

One important fact to understand about business ownership is that regardless of the type of company you have, the concept of “being your own boss” is contextual. You may not work for someone else, but you will answer to a lot of people. The same constituencies influencing what type of business you found will ultimately be stakeholders in your decisions and hold you accountable. You will work for your customers, clients, investors, board and any other party that has a stake in doing business with you. When it comes to being your own boss, you will be able to make decisions about with whom you do business. You can accept or refuse a customer. You can choose one vendor over another. And most importantly, you can choose when, where, and how long you work – as long as you meet your commitments.

If you currently consider yourself a business owner but decide you want to be an entrepreneur, there are two opportunities you can take:

You can grow vertically, which means you can buy, recreate, or become partners with those vendors or businesses you sell to. An example may be a business like myself in marketing partnering with an SEO company and then creating a company or using my same name to offer their services in conjunction with mine. This is not the same as just having another partner to whom you refer business. This is an opportunity to expand your current portfolio and attract a larger audience.

You can choose to grow horizontally which means buying or starting another business relating to the one you already have. Example: A restaurant owner who starts a catering business or an event planning service, keeping this business separate from the restaurant. This is an opportunity to refer to other services while still retaining control of each entity.

The number one question you need to ask yourself is... "Who will give me the money?" The answer is "it takes money to make money" and actually there are ways to grow your business economically but in the meantime, you need to have some core money to begin this process. So I ask you... "Who will give you the money?" Write down three types of customers/clients/patients who'll "give you the money." These are the people that you need right now to grow your income. Describe exactly who they are, what they look like (kids, family, wants, desires etc.) ... To check yourself ask, "Why will they give me the money?" And then "How do I find these people?" It is a process but one that is worth it.

There is no right or wrong when it comes to being a small-business owner or an entrepreneur. America needs small-business owners to hold the economy and entrepreneurs to propel it forward. One isn't better than the other. But the question needs to be asked: Are you a small-business owner or an entrepreneur?