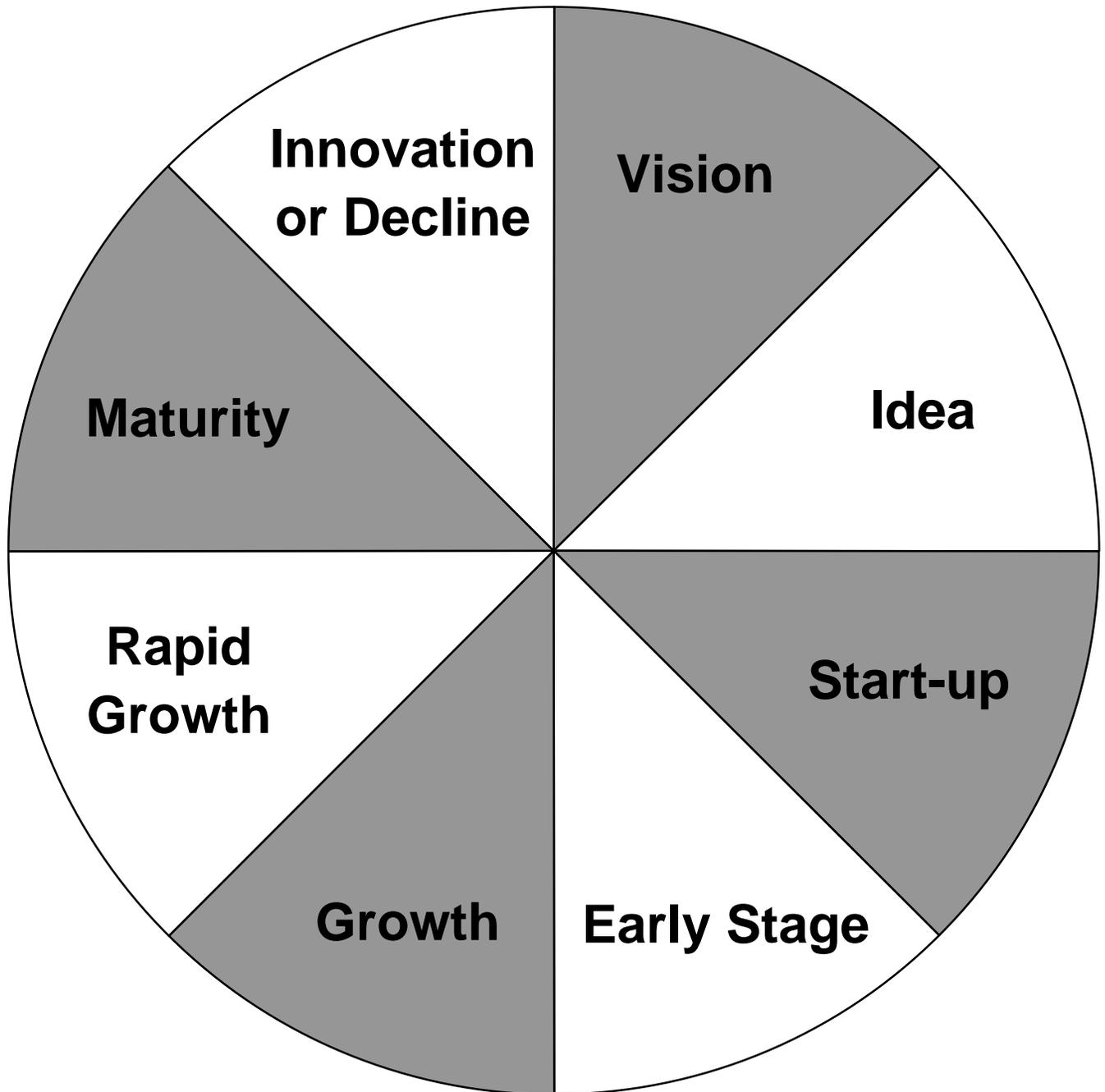


The Entrepreneur Challenge
Learn – Think – Create – Try - Change

The Eight Stages of the Business Life Cycle



The Entrepreneur's Challenge

As the business life cycle changes, the entrepreneur must develop new skills and abilities. The tasks facing the entrepreneur who attempts to grow the business to new levels of performance and profitability are far different from the tasks necessary to operate a small business. Understanding and analyzing the different stages your business passes through will help you develop your management and leadership abilities.

VISION - Entrepreneurs see opportunities where others see only problems. Your vision answers these questions “who you are, what you do, and where you are headed”. Your vision establishes long-term (5 to 10 years) direction and inspires you for the future.

IDEA – What’s more important having the idea or implementing the idea? A feasibility plan is the way to decide if the business idea is practical. Can the business be profitable? Do your research to find out if there is a market, what are the risks, what financial resources are required and what are your abilities?

- I** Identify your skills
- D** Define your strengths
- E** Enjoy what you do
- A** Act with a plan

START-UP – The entrepreneur is a jack-of-all-trades and usually struggles to survive, fighting daily fires and experimenting with different market-penetration tactics. The owner makes the management decisions and works long hours. The business plan is needed at this stage to give focus and direction. It should be comprehensive and include a marketing plan, a management plan and a financial plan with three-year projections.

Early Stage – The business is small; has a few customers but needs to increase sales. The entrepreneur struggles to find a competitive advantage and encounters numerous marketing challenges. This is possibly one of the most difficult stages, the owner must decide if the business is to remain small, fail, or move on to the growth stage.

Growth Stage – The entrepreneur has added customers and increased sales to new markets. Staff must be added and the entrepreneur must learn to delegate responsibilities and develop leadership skills to communicate the vision and direction of the business growth strategy. Giving up control and letting go of everyday decisions are difficult choices, but the owner must begin to focus on expanding markets and raising money to cover the continual cash flow crises.

Rapid Growth – This stage can be overwhelming, depending on the owner's ambition and leadership abilities. No more hands-on operating of the business; that is delegated to employees. Strategic planning and financial control are the entrepreneur's main concern.

Maturity Stage – The business is operating smoothly, with established market share. Sales level off and the challenge is to generate new customers and develop other markets, by responding to new industry trends.

Innovation or Decline Stage – Innovate or Evaporate! The business can add new products and services or it can acquire another firm to add products and services to existing inventory. The entrepreneur turns into a visionary leader and creates a culture where creativity is a priority.

Entrepreneurs must be proactive and look for new opportunities. Change happens and catching a new wave can be very rewarding financially. Keep in mind the owner can exit at any stage of the business cycle.

The Personal MBA

by Josh Kaufman www.personalmba.com

Review by Jackie Jacobi

Business is really a Creative and Exploratory Process

Learn – Think – Create - Try- Change

Repeat this process throughout your Business Life Cycle, while focusing on the **Five Core Business Concepts**. Learn these five essential Business Concepts then you will be able to ask good questions so you can grow your Business. Continually increase your business knowledge by reading good business books, check out this website www.personalmba.com.

- 1. Value Creation** – Every business must create a product or service that brings enough value to a customer that they will pay for it.
- 2. Marketing** - Every business must market their service or product to people who will become their customers.
- 3. Sales** – How do people make the decision to buy? People do business with people they know, like and trust.
- 4. Value Delivery** – The business has to deliver what they promised to the customer.
- 5. Finance** - Unless you are doing the first four you do not have any finance to analyze. Learn to price your products/service for profit.