

# Defying the Odds: A Crash Course in Entrepreneurship

Business ideas come from many sources. Examples include:

- other people
- “holes ” in the market
- discoveries or inventions
- personal needs
- lucky circumstances
- customers
- a great vision
- other sources

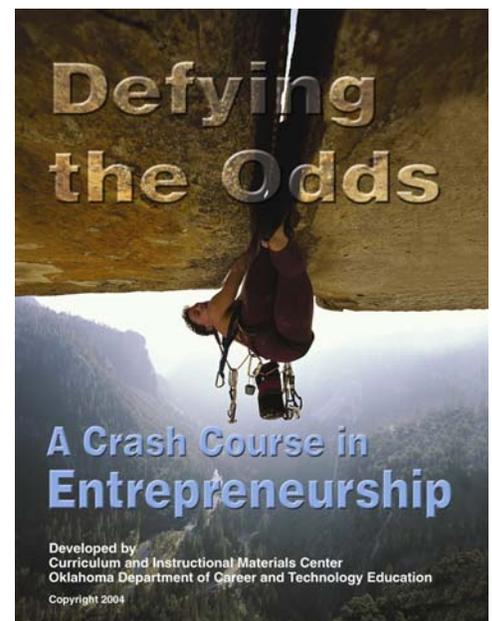


What was the source of your idea? Regardless of the source, you need a strategy to be successful. A strategy is simply the game plan for your business; it represents how and why you are going to win. Compare a business strategy to a strategy to win a game. To win, the coaches draft a strategy. For example, they calculate the number of players who will be involved (the team), identify the equipment they will need (the resources), and assign the players and equipment for distinct roles . . . offense, defense, special teams, etc.(the strategy).

In addition, the coaches may plan to use the element of surprise to overcome their opponents ' strategy. Of course, many more details must support this plan. However, a short statement of the strategy tells you exactly how and why the team will win. Because you are entering a complex game, you need a strategy just as concise for your company. It is a game that most people lose.

It is essential to have a well-drafted strategy for building even the smallest organization. If you dream of growing a company to any decent size, you will strategize about all aspects of the business. If you don 't, you probably will not grow. While I have grown companies with half a strategy and by figuring out the missing pieces on the run, it is not the right thing to do. It adds unneeded danger to an already dangerous endeavor.

It caused me to lose my first company. I simply did not want to write down, and model, the possible implications of growth. (I then compounded that failure by also ignoring



my accountant.) We grew explosively, before blowing up in year four. That may sound pretty cut-and-dry but, when I failed to create and follow a detailed strategy, almost 100 people lost their jobs and I spent years fighting lawsuits.

That reality taught me this lesson in a profound way. Many entrepreneurs purposely avoid taking the time to really strategize. I think they do it because they don't want to confront bad news. Entrepreneurs don't want to believe there may be a barrier that is difficult, or even insurmountable. They don't want to know that they could fail under some circumstances. Still others are unmotivated, or become so excited about the idea of building a business, they rush headlong into chasing the dream without charting the course to the dream.

### **Would you climb mountains without ropes?**

Would you ever climb a vertical face without ropes? Think about what goes through the head of the person who climbs a 1000-foot vertical rock wall without ropes. She believes she can do it every time (unless something completely random happens.) The ropes also cost money, time and effort to use. She must learn to plan very carefully and be at her best physical condition; to make a strategic mistake would cost her everything.

What if an unplanned circumstance arose, such as a rock shifting or bad weather suddenly developing? Even with a great strategy and planning, she will find herself in a potential life-ending situation. Since most entrepreneurs cannot afford ropes or do not know how to use them, they simply start climbing (and hope). Think this is an exaggeration? When you face making payroll on Friday and have no cash on Monday, you will understand exactly what it means to climb without ropes. Sadly, too many people seem to skip the development of a complete strategy; they think they are great freestyle climbers. Luckily, the consequence of failure is not death —only a possible bankruptcy and lots of ego-busting pain.

Developing a comprehensive strategy —and being honest with yourself about it —is difficult. It is also essential. It will force you to understand the areas of risk and help you to form a studied plan of attack. Are you dispassionate? Only by taking an unemotional approach to your dream and forcing yourself to analyze the path to success —allowing for tough breaks or good fortune —can you create a plan that allows you to adjust to whatever comes your way without panicking. Why do investors love to invest in “repeaters?” Repeaters have climbed the vertical wall a number of times. They accept the need to think through all aspects of growing a business and are prepared for the many

concerns that always arise. They have also developed the toughness to survive the challenges that are beyond their control.

### **QUESTIONS FOR DISCUSSION:**

1. Why do entrepreneurs fail to plan?
2. What are some of the possible outcomes of failure to plan?
3. What can this new product teach you about starting a business?

### **Defying the Odds: A Crash Course in Entrepreneurship**

This is a 6-part course created by an entrepreneur who has experienced both success and failure. Its goal is to improve your odds for success. Whether you are already managing your own business, or thinking about starting one, this course will help you to understand many of the very real, very tough issues in building a business. The workbook covers the following six topics in individual "Days" (modules):

Day 1--Becoming an Entrepreneur

Day 2--Developing a Strategy

Day 3--Preparing the Business Plan and Financials

Day 4--Building a Team

Day 5--Raising Capital

Day 6--Developing the Heart of the Entrepreneur

Each topic concludes by asking you reflective questions and providing guidance from the author's own experiences. A workbook presents the topics in detail, including the reflective questions. Real-life experts, entrepreneurs, and the author provide insights and advice on video for each topic. Can be used both for individual study or facilitated learning in a group setting.

The author, and primary presenter in the video, is Scott Klososky. Scott is a currently successful entrepreneur, who has other successes and failures behind him. The content and the concept behind this course are his creations.

Developed by the Curriculum and Instructional Materials Center, Oklahoma Department of Career and Technology Education. Interested trainers and organizations can order "Defying the Odds" through the CIMC online catalog at: [www.okcareertech.org/cimc](http://www.okcareertech.org/cimc) ; by phone at 800-654-4502, or by fax at 405-743-5154. They can purchase the videos and workbook together (for a course facilitator) as well as additional workbooks (for participants).