

Entrepreneurial Self-Assessment

Description

CEDOs seek out people who might start a local business and assist them, but it is essential that the people so encouraged are truly ready for that demanding task. While the CEDO might, on its own, do some readiness assessment of any potential entrepreneur it expects to assist, the most significant assessment must be made by the potential entrepreneurs themselves. The CEDO should facilitate that rather than depend upon its own evaluation. In fact, that would be the initial important help that the CEDO could offer.

Self-assessment for entrepreneurship, then, is a searching review of key questions that the potential entrepreneur must answer before beginning any business development process. Among the crucial questions will be, first: "Is this the proper time in my life to invest myself completely in this?" Although both ends of the age scale (youths and seniors) might be especially sensitive indicators in considering this question, all ages in between must look at whether the present particular moment in life is an appropriate point to begin the challenge of business. There may be, for example, family stresses or personal health problems to be resolved first, and so addressing a business project should be at least postponed.

The second most important question is: "Am I prepared to make the necessary personal commitment?" The work of an entrepreneur is not a 9 to 5 matter; the financial risks may be threatening; the diversion from family or other interests is immense; and, ordinarily, the income returns are very, very limited for a substantial period of time. All these considerations must be carefully assessed, and the ultimate answer may be, for example, that the person really enjoys family relationships too much to give them the second place they will have to assume.

A third important question is: "Are there better alternatives for solving the problem that starting a business is intended to address?" A person may have been laid off with no chance of return and so begin to consider business as a way of earning a living; but in fact an alternative to that may in the end be more appropriate. For example, the person would need to consider moving to another location where a suitable job might readily be found; or would need to consider whether perhaps it would truly be acceptable to reduce one's income needs (and work only occasionally or only part-time, or retire fully). Or, in another situation, so-called welfare reform might be impelling a social assistance recipient into a self-employment career, when, actually, more conventional employment would be a better solution; therefore a completely different training/preparation strategy ought to be considered.

Tools & Techniques

In the late 1970s, some members of the business department at the University College of Cape Breton organized themselves under the name of Venture Concepts and constructed a 10-week (once a week) course for potential entrepreneurs, in which the first three sessions were devoted to self-assessment. Venture Concepts came to depend upon a sort of aptitude test that is self-administered. While Cape Breton's Venture Concepts is no longer very active, the assessment technique was a critical part of its program. In any event, some systematic way to carry out self-assessment is critical.

Benefits

The simplest pay-off of self-assessment is that if the answer turns out to be negative, the person has saved himself and any others who might have assisted him (financially or otherwise) a lot of time and money. This is, in fact, the outcome for a large fraction of those who consider the entrepreneurial career but step back for a moment to do a self-assessment. And many a person has thanked those who encouraged him to wait and think first.

Alternatively, if the assessment leads to a positive answer, the person is more firmly prepared to deal with the realities of that career. And she or he can better prepare associates and family members for what lies ahead.

Major challenges

The CEDO can address what is probably the sole major difficulty in this approach: to make sure that the person is able to conduct an adequate assessment, taking the time and effort to do it thoroughly. Is it useful to get some neutral person to act as an audience or interlocutor to facilitate the self-examination process? Or should everyone rely on some tested and standardized format for the process?

Some practical steps

1. Orient the potential entrepreneur to the benefits of self-assessment and the kinds of questions to be confronted.
2. Offer whatever aids (forms, recording sheets, interlocutor) that the person can use.
3. Review the results of the assessment with the potential entrepreneur.

Resource organizations & contacts

- Alan MacDonald (Venture Concepts, 902-539-7143) remains available for orientation on self-assessment. Westcoast Community Enterprises (604-685-5058), a division of the Centre for Community Enterprise, has created a self-assessment process to support its micro-business training program.

Tools & Techniques

- The North Okanagan Community Futures Development Corporation (#302 –3105 33rd Street, Vernon, BC V1T 9P7, Tel. 250-545-2215) has a comprehensive 2-week entrepreneurial assessment program which covers both personal and business viability issues.

Publications

- A tool used by the North Okanagan CFDC is *Entrepreneurial Style and Success Indicator*, which can be ordered from the Consulting Resource Group International, Inc., tel. 604-852-0566, or e-mail (crgi@crgleader.com).
- Another self-assessment technique is discussed in Jeffrey Timmons, Leonard Smollen, and Alexander Dingee, *New Venture Creation* (Irwin, Homewood, IL, 1985, 2nd edition).
- The technique used by the Cape Breton group was entitled “Venture Focus,” but it is no longer published although a copy might be obtained from Alan MacDonald.