University of Connecticut
DigitalCommons@UConn

Honors Scholar Theses | Honors Scholar Program

Spring 5-1-2010

The Process of Starting a Business

Joyce Aparicio
University of Connecticut - Storrs, JoyceAparicio@hotmail.com

Follow this and additional works at: http://digitalcommons.uconn.edu/srhonors_theses

Part of the Business Administration, Management, and Operations Commons

Recommended Citation
Aparicio, Joyce, "The Process of Starting a Business" (2010). *Honors Scholar Theses.* Paper 115.
http://digitalcommons.uconn.edu/srhonors_theses/115

This Article is brought to you for free and open access by the Honors Scholar Program at DigitalCommons@UConn. It has been accepted for inclusion in Honors Scholar Theses by an authorized administrator of DigitalCommons@UConn. For more information, please contact digitalcommons@uconn.edu.

The Process of Starting a Business

Joyce Aparicio
University of Connecticut

Thesis submitted in partial fulfillment of the requirements for the Honor's Program at the University of Connecticut.

Connecticut
April 2010

TABLE OF CONTENTS

ABSTRACT……4

WHY CHOOSE ENTREPRENEURSHIP……4

METHOD……7

The Entrepreneurs……8

INTERVIEW PROCESS……10

Initial Formal Interview……10

Final Formal Interview……11

FINDINGS……11

A Model of Collegiate Entrepreneurial Success……11

PATTERNS FROM INITIAL INTERVIEW……12

Establishing the Business Idea……13

INITIALLY STEPS THAT HAVE BEEN TAKEN……14

OTHER STEPS NEEDED……16

OBSTACLES……17

CURRENT STATUS……18

WHAT COULD HAVE BEEN DONE DIFFERENTLY?……18

LEARNING FROM EXPERIENCES……19

TIME DEDICATED TO NEW VENTURE……21

FAVORITE ASPECTS OF BECOMING AN ENTREPRENEUR……21

REFLECTION……22

BETA……22

ALPHA…….23

DELTA……..24

CHARLIE…….25

GAMMA……..26

CONCLUSION……..28

KEY ELEMENTS FOR STARTING A BUSINESS……28

ADVICE TO COLLEGE STUDENTS……29

APPENDIX……31

APPENDIX 1 – Initial Formal Interview……31

APPENDIX 2 – Final Formal Interview……..32

REFERENCES……33

ABSTRACT

Entrepreneurship is an important activity and a major career track for many people. Among them, students find it to be a viable career option, because they see it as an option to quickly attain independence and financial freedom. Nowadays, numerous students are inspired to start their own business venture after completing courses in school or simply just due to having ideas to pursue. The process to start a business is still not well understood and that is why the first steps to start a business are usually the most difficult in terms of establishing a functioning business, gathering the right connections, and avoiding discouragement to follow through with the business. Therefore, many people fall into the categories of starting a business, failing along the process, or failing to get it started. There is a lot to be learned from the process of executing a business venture.

In addressing this issue, some of the questions this research aims to explore and study are the following: how do people go about with their new venture efforts? What steps do they undertake? From whom do they receive information? Lastly, how do they use that information? This study will seek a variety of insights that can help answer these questions and, more importantly use those insights to formulate a conceptual model about the business development process.

WHY CHOOSE ENTREPRENEURSHIP?

An entrepreneur is an individual who accepts financial risks and undertakes a new financial business venture. There are many risks involved when becoming an entrepreneur, because it is not certain that a startup business will thrive, especially during an economic crisis. Yet, there has been an increasing number of people that continue to show interest in becoming

an entrepreneur. These individuals decide to start new ventures, because they are confident in their abilities to act entrepreneurially, even when the probability of failure is high (Townsend et al., 2010 Journal of Business Venturing).

When choosing entrepreneurship as a career choice, one needs to have a positive attitude toward work, risk, independence, and income. These are some of the reasons as to why people choose to become entrepreneurs (Douglas and Shepherd, 2002 Journal of Business Venturing). Each individual has the choice to either become an entrepreneur or work for someone else. The few that choose to start a business are those that understand challenges they face along the way, but see the opportunity to do financially well and become independent.

Before I began the case studies on the five entrepreneurs for my thesis, I sought to better understand the general reasons as to why people choose to start their own business. After doing some research, I found there were well over thirty reasons, ranging from financial rewards to having time freedom and planning out a day's schedule. I found the Society of Associated Researchers of International Entrepreneurship (SARIE) to be a great source. SARIE provides much literature on the initial research in finding the reasons why people choose to become entrepreneurs. They extensively surveyed over 1400 entrepreneurs from eleven countries and found similarities and differences among each country. They found five broad factors as to why people choose to start their own business: the need for independence, need for material incentives, desire to escape or avoid a negative situation, need for social approval, and a drive to fulfill personal values or norms (Carter et al., 2003 Journal of Business Venturing).

The United States scored highest in the need for independence. This makes sense, because people that are working for Corporate America are frequently being micromanaged; a number of employees report limited autonomy at work, constantly being checked on by their managers for everything, even using the restroom (Nancherla, 2009 T+D). There comes a point where one gets tired of having to report to someone on a daily basis for many years. Therefore, one wants a change and to become independent, which is working for oneself as an entrepreneur. Being independent, one can set their own schedule for the day and work on any task that is important, rather than someone deciding which the tasks should be completed.

Aside from SARIE, there have been other researchers attempting to find the answer of why more and more people are turning towards entrepreneurship. A broad and general list of reasons has been combined from SARIE and the additional researchers. Innovation, independence, recognition, roles, and financial success are the general categories named to be the reasons to become an entrepreneur.

Innovation entails a person to master something new and producing it for others. Independence has to do with the person's time freedom and how they are able to personally control it. Recognition is all about having status and the need for approval from others, as people love to get recognized for accomplishing big steps in their life. Roles have to do with entrepreneurs continuing and improving an established family business. Lastly, financial success is about increasing one's income and achieving financial security.

The first step to become an entrepreneur is to define the reason that causes one to take that challenge. You have to know why you want to leave your job and take the risk of becoming an entrepreneur. The reason becomes your motivation to start your business. Starting a

business is not easy and requires a lot of effort from the person to continue in their pursuit. The people that do not have a strong reason end up failing to establish a successful business. The five reasons are important to understand, because each individual that participated in the case studies had their own reasons as to why they desired to become entrepreneurs. Their reasons, gathered altogether, fell into several of the five reasons of innovation, independence, recognition, roles, and financial success. However, each individual stated that they wanted to start a business, because they wanted to gain independence. I think independence is the main driver because it is inversely linked to those working in the United States who are being micromanaged. If one is at the extreme end being overseen, one would naturally want to go the other way, which is to become independent.

During a case study (Douglas and Shepherd, 2002 Journal of Business Venturing), the analysis showed that, 95% of respondents considered the level of independence in their assessment of career utility, while 47%, 26%, and 16% viewed work, risk, and income (respectively) as a significant determinant of the utility they expected to derive from the job offer. When individuals derive their utility from independence, they have higher entrepreneurial intentions.

METHOD

This study consists of a qualitative research that explores the process that five individuals have taken to start their business. These individuals have taken business courses and fall between ages 21 and 25. Completing business courses is significant because they have

the foundation of what it takes to start a business. The next step is to endure the process of actually starting their desired business venture.

It is important to note that five case studies have been conducted to compose this qualitative research. Having multiple case studies, as opposed to just one, allows patterns to be developed from the gathered data. The data is then more reliable, because it comes from five different people that are each experiencing different obstacles in their respective business venture.

THE ENTREPRENEURS:

The following is a summary of how each individual is qualified to be a part of this case study. It details recent graduates verses current students, female versus males, and also briefly describes what reason or circumstance each individual had to pursue their own business.

Alpha, a female student, graduated from the University of Connecticut with a degree in Accounting. Upon graduation, she started working for Deloitte and Touche as an auditor and later switched companies to work for Cigna. She passionately said, “I was sick of working at Deloitte! Every single thing I did had to be checked and reported to my supervisor.” She was seeking to become independent. So, after a few years of working in the insurance industry, she decided she wanted to start her own business. Alpha came from a family that has owned several businesses, which had an influence on her decision to become an entrepreneur. This falls into the roles category, which is one of the previously discussed reasons that people choose to become entrepreneurs.

Beta, a male student, studied at the University of Connecticut for two years and took Business Administration courses that opened his mind to become a business owner. In addition,

he has gained experience in managing people while working for a technology company. About a year ago, he started working for a cleaning business and witnessed the owners' large profits. He wanted to become independent and was tired of working for other people. He says, "Why work for other people and help them make money, when I can work for myself and build a business." He wants to replicate what he has learned while being in the field of cleaning to start his own cleaning company.

Gamma, a male student, attended Central Connecticut State University and took a few marketing courses that broadened his perspective. Growing up, he was not exposed to business and never thought about running his own company. He was more interested in clubbing and having a good time. After taking a few business courses in school, he developed an idea to satisfy a need that that would personally benefit him. He thought if his idea could benefit him, then it could potentially satisfy other people's needs as well. Gamma said, "I like the idea of having freedom to work anytime I want. It allows me to work hard and still get to have fun." For Gamma, it is important to be independent, because he can plan his day as he wishes.

Delta, a male student, graduated from Central Connecticut State University with a degree in Accounting. During his senior year, he interned at Hamilton Sunstrand and gained hands-on experience in accounting. While going to school, he worked part time at Wiremold Legrand. After being laid off from the Wiremold Legrand, he truly experienced that jobs are not 100% secure. Delta stated, "I am the type of person to put in 100 hours per week if I have to and I want to reap the benefits of it for my own business." His reasons also fell into the independent category.

Charlie, a male student, originally attended the University of Connecticut and then transferred to Central Connecticut State University, for his senior year, where he graduated with an Accounting degree. Throughout his sophomore year, he interned at ING and experienced Corporate America. He stated, “I saw how it is in these big businesses. The opportunity to move up and grow is limited. I want my destiny to be in my own hands.” He left ING in search of an independent accounting firm in order to gain additional knowledge so that he could implement what he has learned from experience. Charlie also fell into the independent category.

INTERVIEW PROCESS

Initial Formal Interview

The purpose of the first interview was to learn about each of the entrepreneurs and where they stood in the opening of their business venture. The questions were open-ended in nature and designed to develop a grounded view of what the respondents face, think, and do. Each individual identified the steps they have already taken toward starting their business as they have been able to keep an accurate track of their work thus far. The obstacles they anticipated were also discussed, so that they recognized them at the beginning of the process and were better prepared to face them. By keeping their obstacles in their mind, they were able to find solutions to overcome the potential challenges. Essentially, by interviewing the individuals, I drew patterns from their responses. Additionally, it helped each of them to take note of where they stood in this process and what their next steps towards starting their business (See appendix for interview questions).

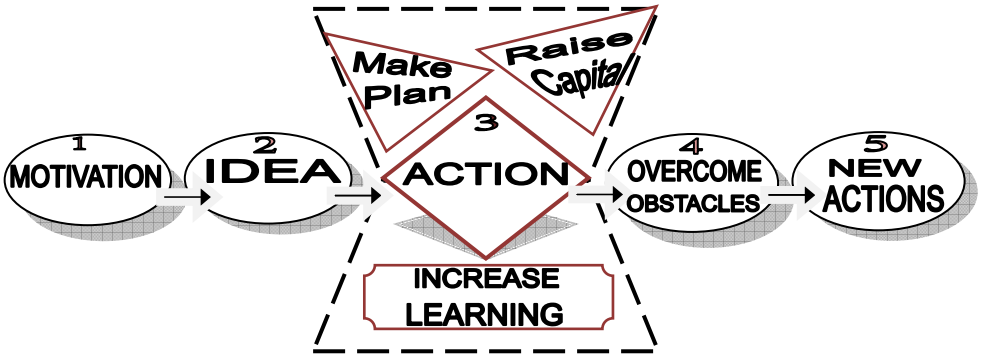
Final Formal Interview

The final interview was a reflection from the entrepreneurs on what they had learned throughout the process in starting their business. They were given an opportunity to reflect upon the steps they had taken and what they could have done differently to yield better results. Although none of the entrepreneurs were able to fully start their business, they remain on the right track to get started.

This research served as guidance for the entrepreneurs, because it encouraged them to continue working on their business venture each week. My main form of contact with each entrepreneur was via weekly phone conversations and texting to get a feel of what they were working on. Through these means, I was able to note and record their progress.

FINDINGS

A Model of Collegiate Entrepreneurial Success



After reviewing the interviews, the model displayed above is a useful way to represent the observed patterns. It shows the process that the entrepreneurs experienced in their journey to start their respective businesses. It begins with their motivation, which then leads

into their business idea. Each individual took similar actions as this model summarizes the significant steps that were crucial for each entrepreneur. After implementing steps toward starting their business, they faced obstacles to overcome, learn, and move forward. This leads each entrepreneur to take new actions toward starting their business.

PATTERNS FROM INITIAL INTERVIEW:

Since the process of starting a business begins with one's motivating reasons, the interviews began with finding the reasons behind why each entrepreneur chose to start their business. After reviewing their answers, a pattern emerged. All five entrepreneurs stated that they did not like working for others and preferred flexibility and time freedom. Two out of the five entrepreneurs said that they could no longer endure micromanagement. As mentioned earlier, SARIE research shows, the United States scoring the highest in independence as being the main reason why people start their own business. Three out of the five interviewed individuals would rather work hard for themselves to grow their own company. They know that all their efforts are being put into a personal venture. Gamma best expressed everyone's sentiments by saying, "No one can fire me, because I am able to make the top decisions and be accountable for my errors and problems my company could run into." Each entrepreneur's reasons fell within the broader category of being independent.

The second highest reason deemed by the entrepreneurs is the money factor. Three out of the five entrepreneurs, who are in the process of starting their business, said that they want to be successful in their finances. If their business is doing well, then their income starts to increase leading to financial security. When they are financially secure, they then have flexibility and time freedom. Their reasons flow into each other, thereby showing that when one of the

reasons, such as financial freedom, is accomplished then another reason, like time flexibility, is also reached. Perhaps this is why many entrepreneurs are successful and start other business ventures that contribute to their overall success.

"Roles" is the last reason which two out of the five entrepreneurs listed as causes to start their own business. These individuals grew up in a family business environment, so all they know is business and that becomes their particular norm. One of the entrepreneurs started working at their parents' business and gained experience on how to manage people. Now, this entrepreneur wants to open a business in another industry and combine their work experience with their management skills. When roles is an entrepreneur's reason to start a business, they follow and emulate a known entrepreneur and their business.

ESTABLISHING THE BUSINESS IDEA

Each of the five entrepreneurs found their business idea differently. Four out of the five individuals had past experience in the industry, so they understand that particular field very well, but still has to master the business intricacies of running a business. Three out of the five entrepreneurs majored in accounting, so they have the education to be business experts. The three out of five entrepreneurs also have to establish a solid business, because simply knowing the industry is not enough. If they do not want to work for someone else, then they have to open their own accounting firm. Lastly, two out of the five entrepreneurs saw an opportunity to start a business to satisfy people's needs. The push versus pull strategy ties into this because Gamma was attracted to the opportunity that attracted him to it. Beta is in the process of starting a cleaning business. He always wanted to be entrepreneurial, but did not know in what

industry. When he started working at his job, he realized he could replicate the same business, but work for himself.

INITIALLY STEPS THAT HAVE BEEN TAKEN

In the initial interview, Alpha, Gamma, and Beta chose the names they wanted for their company. They said it had to be catchy and easy for people to remember. Alpha and Gamma were the only ones that registered their company name themselves. Since Alpha has her CPA, she registered with the IRS in order for her to work on taxes. Gamma registered the name of his company with the Secretary of the State of Connecticut. He said it was not at all expensive to form a Limited Liability Company (LLC) in Connecticut and the process is quick and easy. Alpha and Gamma were the only ones that were also working on a marketing strategy. Alpha has printed business cards and worked on her logo, while Gamma has been working on his website to appeal and attract people to his business. Similarly, they both said, “Marketing is very important to me because it is the tool that will bring clients to my business.” They are identifying the needs and wants from their customers, so that they can successfully brand themselves and be the only company their clients will recognize when thinking about accounting or searching for clubs online. Each entrepreneur brought up that word-of-mouth is important, because the quality and reputation their business has will attract referrals. Alpha said, “Since I am working a lot in my full-time job, I really do not have the time to pass out my business cards. When I prepare taxes for the small quantity of clients I have, I make sure I do a great job because I know they are the ones that will refer people to me. After I finish business with them, I hand them extra business cards and tell them if they liked my work to refer others

to me." For Alpha, it is important do well in her business because she does not have the time to implement her marketing strategies.

Although each individual continues to work part- or full-time, they have attempted to set procedural steps. However, most of their time has been occupied in working to save money for extra expenses. Working is actually part of their plans, because nearly all of them do not plan to take out loans, except for Beta who applied for a business loan. This is why some graduates put their entrepreneurial business plans on hold to first save money. Additionally, being a part of this case study and keeping in touch with me has helped them to constantly remember their business plans.

All five entrepreneurs listed networking and further education as steps they have been taking to open their business. They each stated along the lines, "networking can get you very far because sometimes it is not about what you, but who you know and can help you jump a few steps ahead." When trying to establish a business, networking with different people is important, because one can build connections and potentially gain clients. The people one may meet can also refer you to someone for further help and/or someone that is interested in your business. Networks provide value to members by allowing them to access the social resources embedded within the network; that is, networking can provide the means by which small and medium enterprise (SME) owners can tap needed resources that are 'external' to the firm. This form of cooperation can facilitate the achievement of economies of scale in small firms without producing the diseconomies caused by large firm. Using networks can, therefore, potentially lower a firm's risk of 'failure' and increase its chances of 'success' (Watson, 2007 Journal of Business Venturing).

Educating themselves was listed by all five entrepreneurs as their initial step, because many of them know that starting a business is risky and involves taking many chances. They wanted to increase their understanding of the industry and the process of opening their business, because if they can avoid mistakes made by other people, then they are one step ahead in opening their business. By learning more about the industry, they are seen as more knowledgeable to their clients when they run their business. The savvier you are in what you are doing, the more confidence one feels to deliver information more effectively. Continuing to educate themselves is important, because opportunities are typically uncertain; to properly assess these opportunities one needs to act step by step and continuously evaluate all incoming information. When faced with difficult decisions, knowledge will help determine how to resolve these problems. Knowledge also helps one to stay ahead of competitors and always remain at the top of your game (Education and Culture, 2009).

OTHER STEPS NEEDED:

After reviewing the steps that each individual had taken, they set a few goals for themselves to reach within the next six months. They chose a longer time period to reach their goals, because most of them are working full-time jobs and can only spend a limited amount of free time towards starting their business. All five entrepreneurs listed the following goals: develop a marketing strategy, raising capital, and search for client base.

They said these three goals are vital in opening their business, because without a marketing strategy, they cannot attract customers, which are needed to make profits. Networking helps the entrepreneur gain clients, but they need to continue building relationships with people. When they open their own business, they have a set amount of

people they can work with. Raising capital was a main concern for each entrepreneur, because they do not have a lot of saved money, which is why they are working full-time and decreasing their expenses to avoid taking out a loan. Some feel a loan will be necessary and others feel as though they can start their business without loans. Ultimately, they need to raise capital in order to start their business.

Three out of the five entrepreneurs have begun to search for potential employees. Although, they are not technically interviewing people, they have been meeting people, via networking, that they are considering as future employees. Each entrepreneur will definitely need at least one other hired person, because they will not be able to do everything on their own. The accounting entrepreneurs said they needed at least a secretary. Beta stated that he needed a person that will work for him and do the cleaning. Gamma said he needed a professional web page developer to design his website, because he does not know how to build a website on his own. However, after it is built, his plans are to learn how to work the website himself.

OBSTACLES

The top obstacle that all five entrepreneurs face is how to fund their business. Many of them do not have the money readily available to open their business. Even if the broad concepts are set, the business may not succeed. They would still need to buy office supplies, pay office rent, pay the employees, etc. With the current economy, it is very hard for each of them to take out loans. Beta said, “Applying for a business loan was difficult because the applicants need a nearly perfect credit score. The banks used to easily loan money, but since times are changing, they required a lot from me as an applicant. And in the end, my loan is still

not finalized." Now Beta has to satisfy the conditions from the bank in order to receive the money. The rest of the entrepreneurs are working full-time jobs and taking extra part-time jobs to continue saving money to open their business. Usually, finance is usually the major obstacle as in these cases for all five entrepreneurs. Financial capital is one of the necessary resources required for a business to operate. Capital decisions and the use of debt and equity at the start-up point has been shown to have important implications for the operations of the business, risk of failure, firm performance, and the potential of the business to expand. (Cassar, 2004 The Journal of Business Venturing). For this reason, many of the entrepreneurs in the case studies are putting the official opening of their business on hold and working on other aspects, such as marketing and education.

Another problem they are worried about is the entry to the market. Four out of the five were concerned they would be slow to acquire clients. This is especially due to existing competitors. Three out of the five felt the existing competitions were an obstacle to overcome. These entrepreneurs are working on finding their competitive advantage to distinguish themselves from their competitors and offer a better product and/or service to their clients.

CURRENT STATUS

WHAT COULD HAVE BEEN DONE DIFFERENTLY?

When it came to reflect upon the progress each entrepreneur and what could have been done differently, there were three categories: not much would have been different, more research in the industry and in starting a business, and more networking with people. Two out of the five said they felt they were on the right track and did not need to change much. These

two entrepreneurs had already made a plan for themselves and broke down what they wanted to accomplish each month.

Those that felt they were on the right track vary from the ones that feel they need to better educate themselves and/or network more. For example, Delta felt he is on the right track, because before he even invests money to start his business, he wants to pass the CPA exam; therefore, he is focusing all his free time to studying for the exam. Also, he continue to save money. Since those are his only two areas of focus, Delta felt he would not do much differently.

Two out of the five entrepreneurs said they would have done more research in their industry and in starting a business. For example, Alpha who is a CPA was able to prepare taxes this year. However, she felt that she needed to be more knowledgeable with tax returns, so that she could be prepared with potential complicated tax situations. She feels as though there are numerous laws, rules, and loop holes that she should have taken more time to read and research prior the beginning of tax season.

Gamma was the only entrepreneur who felt he needed to focus more on networking. This is logical, because night clubs is a type of his future clients. His way of reaching out to them is by physically going to the clubs and networking among the bouncers, who then introduce him to the club owners. Gamma felt that he should have branched out to other clubs within the same area to expand his market.

LEARNING FROM EXPERIENCES

Each person has a unique learning experience from their mistakes. When one attempts something new, the results may not be perfect and one will have to learn from the situation.

You have to continue doing what works and change what did not deliver favorable outcomes. Each entrepreneur's experiences fell into the broader categories of learning the importance in planning out the details, evaluating the opportunity, educating themselves more, and the importance to stay focused.

When you develop a business plan for yourself, you must have a sense of direction of where you to move in the future. The more details included in your plans, the easier it will be because a guide to follow will be available. Gamma learned that his biggest mistake was in planning how he would market his website to clubs. He learned that every club, depending on their size and audience, has different needs. In the beginning, he assumed that each club would prefer the same form of advertising. When this did not work, he set up a new plan to have a separate marketing tactic for each club. Similarly, Delta learned that choosing certain career paths distracted him from reaching his ultimate goal of starting his accounting company. He felt that if he would have broken down his overarching plan, he probably would have opened his business a year ago. Now, Delta has a detailed plan and is following each of its steps.

Evaluating the opportunity is important to every entrepreneur, because you do not want to waste your time on an opportunity that will not be worth your hard work. By assessing the opportunity before jumping into it, you could avoid the possibility of closing your business. Beta learned that being desperate to get his results leads to making quick decisions. He should not get overly excited or desperate, but instead he should evaluate and do research before making any decisions and that way avoid losing money.

Educating yourself and continuing to learn more is significant because you become more knowledgeable in your industry. For example, Charlie decided to leave corporate America

to work for an independent accounting firm, so he could intimately learn how they run a business. He is applying what he learned in the small accounting firm to start his business. Similarly, Alpha saw the importance to continually learn about tax law. She saw its fluctuations and realized that she needs to remain up-to-date. The more she knows about tax laws, the more confident her clients are with her, and the faster she can prepare taxes.

TIME DEDICATED TO NEW VENTURE

Since all five of the entrepreneurs are currently working full-time or part-time job, they cannot dedicate as much time in opening their business. Some said that even if they were to open their business, they would still keep at least a part-time job to have a steady income until their business took off.

Beta, Alpha, and Charlie spent about 10 – 15 hours per week towards their business venture. Delta spent over twenty hours a week, mainly preparing to take the CPA exam. Lastly, Gamma spent approximately five hours a week in starting his business venture. This time variance makes sense for each person, because it correlates with the extra time they have to start their business.

FAVORITE ASPECTS OF BECOMING AN ENTREPRENEUR

This question was asked towards the end of the interview to see mainly what each entrepreneur enjoyed most from the process of starting their own business. I noticed that the answers referred back to their original reasons why they wanted to be an entrepreneur. Each entrepreneur said they loved being in control of their own time and making their own decisions. For many, it was the first time that they could be in control of building something they can ultimately call their own.

Four out of the five entrepreneurs said they were looking forward to having time freedom and financial rewards in return. None of the entrepreneurs gave up along the process and some reached the beginning stages of their business. They each have a long way to go, but what is important to note is that they each had a strong reason to switch to entrepreneurship and that is the most vital motivator to not quit until they achieve their goals.

REFLECTIONS

Beta

When I first met with Beta, he immediately shared with me why he wanted to start a cleaning company. He stated, "Working as employee for a cleaning company over a year, I realized why do I have to work for ten dollars an hour and report to someone? I could do it myself and make much more money and the best part is I will be my own boss." He was combining his past experiences in managing a company with his work experiences in the cleaning business. At the interview time, Beta was still employed by the cleaning company, but also started doing his research about the steps that he needed to take to start his own company. He also thought about the importance to networking himself with others, so he could meet people that could potentially be his clients. From talking to him, I could see that he was well prepared in the field, but was not too confident about getting his start up capital to craft his business.

After meeting up with Beta for a second time, I noticed that he was feeling more confident about his business venture. He was excited about the small business loan he had applied for and was hoping he would get approved to use the money for his business.

Meanwhile, he had chosen his business name and saved some money to register his business with the Secretary of State.

Between the period of his first and second interviews, I could see that Beta progressed in the process of starting his own business. He is more confident about his success in this chosen field. Beta's main obstacle was finding the money for his venture, which he did overcome by applying for small loan that he is hoping to receive soon. With Beta's positive attitude and course of direction, I feel he is on the right track in becoming a successful entrepreneur.

Alpha

I first met with Alpha in the last weeks of December. She is the only female I worked with for these case studies. Alpha wanted to become an entrepreneur, because she just could not handle being micromanaged at work. She was always seeking to be independent. During her childhood and early teen years, she grew up in the family business owned by her father. Coming from a family that had owned several businesses influenced her to become an entrepreneur.

When she graduated from UConn and earned an Accounting degree, she sought to pass the CPA exam in order to work in a better position. She then worked for Delloite and Touche to gain professional experience in accounting. She registered her name with the IRS to be then able to do the 2009 taxes in 2010. Alpha also used a lot of marketing methods, such as, printing out letterheads and business cards, to pass out to everyone she knows and meets. What she finds most effective is viral marketing, which is word of mouth. One of her challenges is to build her own customer base.

I met up with Alpha over month after our initial meeting to interview her again. She had been extremely busy preparing taxes and working her full-time position that was not able to work on her own business venture as she often would before. Alpha set up a plan for herself and business venture before she took on extra people for tax season. She is planning to register her business name in the Secretary of State, so she could work for herself under a business entity. She is still saving up money to buy her office supplies and software, because she does not plan to take out any loans to fund her business. Despite the fact that Alpha has been very busy, she is constantly on IRS Website self-educating herself of the always changing tax laws. She wants to fully prepare herself to be more knowledgeable.

Alpha's major obstacle was getting the capital to open up her own accounting company. Since the expenses are high for someone that is not planning to take out a business loan, I feel that she was not able to progress as much as she could have to start her own business. I can see, however, that she is really preparing herself for next year. Sometimes it is better to be prepared for a business opportunity, than to have a business opportunity and not be prepared.

Delta

Delta is also in the Accounting industry, similar to Alpha and Charlie. He believes that jobs are not secure, especially for the type of the lifestyle he wants to live. He definitely has many strong reasons as to why he wants to be an entrepreneur. He chose to become an entrepreneur in the accounting field, because he always loved economics and math. During the first interview, I got a feel of where he was in his business venture. He was newly out of college and was going through a lot of self-preparation to start his accounting business. He wants to be very prepared before jumping into any business. Essentially, he wanted to take the risk of

opening a business, but minimize any potential losses. At this point, Delta is still working on building his credit to be considered as a good credit score. Most importantly to him, however, is to study and pass the CPA exam.

During the second interview with him, I found that he had been rigorously studying for the CPA exam and has already scheduled his exam date. After obtaining his CPA license, he will open up his business. In the meantime, he has been buying office supplies little by little, so that when he passes his exam he can quickly start his business.

Delta, like Alpha, takes his time to prepare himself very well for when the day comes that he will run his own business. He has set his mentality that he will no longer work for another company, because his personal business will be his job. However, currently I do not see him starting his business any time soon. His first step is to pass his CPA exam before he registers his business and actively seeks out clients. I feel that when he does open his business, he will be successful, because Delta seems to plan everything out in detail.

Charlie

Charlie is also the type of person who does not like working for another person. He is willing to put in the extra work and effort into his own company, and knows that he can receive more money in return and have time freedom. Charlie also wants to start his business in accounting. He left corporate America to work for a small accounting company, where he learned the ins and outs of accounting and how to run a small business. With these gained experiences, he set a goal to leave the small accounting company to duplicate and manage his own firm. He wants to focus on small business accounts, payrolls, and income taxes. He, as well

as the others pursuing a business in Accounting, chose this field because he graduated with a degree in Accounting.

Charlie firsts wants to start his business from his home, because it is a low expense as he does not need to buy many office supplies or pay for office space. Charlie thought of a potential name for his business and also began formatting his business cards.

I met with Charlie for a second time the week before the deadline to file taxes. He shared that he had been busy that week and the following week was going to be even busier with many last minute people that wanting to file taxes. I asked him if he was content with where he currently was in the process of starting his business venture and he seemed pretty comfortable in his current position.

From the time I first interviewed Charlie to his last interview, he progressed. He has bought office supplies, and after the tax season is over, he will be networking and begin to run his business from home. Charlie says he plans to register his name soon so that he could print his business cards and pass them out.

Gamma

On December 20, 2009, I met up with Gamma, whose main reasons to become an entrepreneur were time flexibility, freedom, and not having to report to anyone. Gamma said he knew the only way he could truly be in control of everything was working for himself. His business venture is an online-based advertising company for nightclubs. He chose an online based business, because it does not consume a lot of time and the internet is extremely popular nowadays. However, his concern is to create traffic on his page. He stated that there is a lot of competition when it comes to online businesses.

Gamma came up with this business venture by looking for answers to satisfy his own need. He loves to go out on the weekend and wanted a source that would tell him all of the events happening in his area. He thought if he was feeling this way, then others must feel the same way as well. As a result, he brainstormed for a while and came up with his online advertising company for nightclubs. He thought of a catchy name and did not hesitate to register his business with the Secretary of the State.

From the time that I first interviewed Gamma to his last formal interview, he has created his business logo and has been marketing for free through Facebook, Myspace, and Twitter. He also found a web designer to create his website, but is looking for another web designer that will charge him less, but produce good quality work. He wants his website to be professional and modern, but at the same time be user-friendly to the visitors.

When I had the second interview with Gamma, he was very happy to share how he was progressing in his business. He said he spends five hours per week on his venture, which is mainly working on the website. Since he has been networking, he found a club that allows him to take picture and upload them onto his website. For now, on weekend nights, he goes out to the clubs and promotes his website while also taking free pictures. He says he has big plans for Summer 2010.

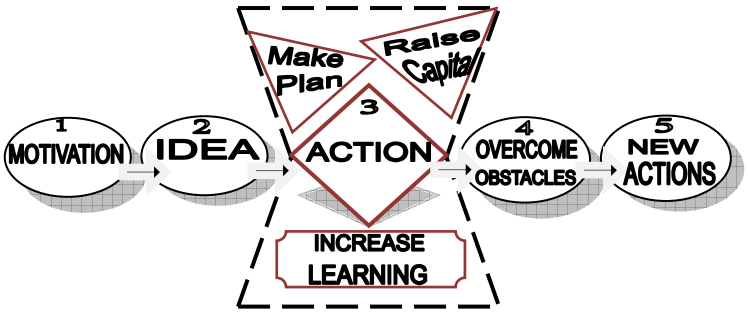
Out of all the other entrepreneurs, I feel that Gamma has gone farthest with his business. He does not make much money for now, but if he continues to grow, he will definitely be able to rely on his business as an extra source of income.

CONCLUSION

KEY ELEMENTS FOR STARTING A BUSINESS

After learning from each of the entrepreneur's experiences, I find "The Model of Collegiate Entrepreneurial Success" a great pictorial that shows crucial elements needed to start a business. The links from motivation to new actions are very important, because one link leads into the next. I would like to focus on the link between idea and action, because between this is a connection many of the entrepreneurs had as a learning experience. An idea is a potential opportunity that one could take advantage from. However, not all ideas will turn into great opportunities. When one sees an opportunity, one must first analyze it and see if it will be financially beneficial and worth your time. Once you begin to take actions towards pursuing the opportunity, you may find that it will not be a successful turnout.

The link between overcoming obstacles and new actions is just as important as the link between idea and action. When one faces an obstacle, one can either both overcome and learn from that experience or one can neglect it and cause more problems in the future. The smartest option would be to face the problem and make it a learning experience. This will cause a readjustment in plans and taking new actions. Although it may not have gone well in the beginning, when overcoming that obstacle and taking new actions toward your bigger goal of starting the business, you will find yourself on the right track.



Additionally, there were many key elements needed to start a business that were listed by the five entrepreneurs. Persistence and self motivation were mentioned by four of the five. They expressed that having resilience to overcome obstacles and disappointment will be key to not give up in the process of starting a business. Being persistent and continuously moving forward, without looking back, will only help, unless you are learning from your past mistakes.

Three out of the five felt that capital is an important key element to start a business. Without the money to fund a business venture, you will not be able to manage a lasting company, because you always need to reinvest your revenue into the business to grow it. Additionally, money is needed to buy the business supplies and also to establish a good image for your customers.

Leadership and vision were also listed as key elements for starting a business. Just as it was mentioned before, you need a leader to take charge of the business and guide it the right direction. Even with the best experienced people working in a business, nothing will be achieved if there is an internal conflict that hinders the growth of the company. This is where a leader needs to step in and find a solution to progress the company.

ADVICE TO COLLEGE STUDENTS

Throughout these past several months, I have been researching and studying what is the process of starting your own business. I have also gained knowledge of what drives young entrepreneurs to go through the process. Since the number of students choosing to become self-employed continues to increase, I would like to share a few important comments that I have learned from my thesis research with those who are planning to take the same path of becoming an entrepreneur.

Preparing a plan is a very important step in starting your own business, because you have to know what you want, but most importantly, you must know how you are going to fulfill that objective. People do not plan to fail, but rather they fail to plan. Therefore, setting goals has to be a main step in your plan, which will help you stay on track. I suggest starting with small goals, which could be short-term goals, such as getting your business license or registering the business name. Then, the long-terms goals could be set for a time period of a year. Be specific in what you want to accomplish by that time, so you have a clear vision. An example could be the desired financial growth of your business.

In order to continue striving to reach your goals and stay on track, you must have self-motivation. Self-motivation is a significant factor that separates a business owner from a successful entrepreneur. Through this research, I have learned that it comes from having strong, encouraging, and motivating reasons that will help you overcome unplanned obstacles. My advice would be to write down your goal and carry it with you at all times, so you always remember why you are working hard.

Due to the entrepreneurial experience being different for each person, the process of starting a business is not well understood. However, this study was able to determine patterns from five entrepreneurs that were in the process of starting their business. “The Model of Collegiate Entrepreneurial Success” summarizes the important elements found from each entrepreneur during the research. I strongly believe that if entrepreneurs pay attention to this model, and learn from the five entrepreneurs in this study, perhaps they will have a smoother entrance to start their business and be better prepared to face challenges.

APPENDIX - 1

Initial Formal Interview Questions

1. What has inspired you to become an entrepreneur and start your own business?

2. What is your venture idea and how did you come up with itHow did you come up with the venture idea?

3. What type of industry do you want to venture in? Why did you choose to venture into this particular type of business?

4. Do you have experience in this field or is it something completely new to you?

5. Are there any steps you have taken so far toward starting this business? (If yes, which ones?)

6. Briefly explain, what other steps you think you will be necessary to take in order to start your business?

7. What do you think will be a major obstacle in this venture?

8. How do you plan to overcome it?

9. How do you plan to fund your business (investors, loans, family/friends)?

10. Do you have any connections within this industry that will help you launch this business?

11. What resources are you planning to use in order to help you along the process of starting your business?

12. Considering this economy, what is driving you to take the risk to start your business?

Appendix – 2

Final Formal Interview Questions

1. Reflecting back to your initial interview, what steps would you have done differently?

2. What advice would you give to college students who want to become entrepreneurs?

3. What would you say is a top skill needed to be a successful entrepreneur?

4. What have been the biggest mistakes you've made and what have you learned from them?

5. How many hours a week do you dedicate to start your business?

6. What is your favorite aspect of being an entrepreneur so far?

7. What would say are some key elements for starting a business?

8. How do you define success?

9. Give a brief description of the stage your business is currently in?

10. Where do you see yourself next year?

REFRENCES

Carter, Nancy M., Gartner, William B., Shaver, Kelly G., Gatewoods, Elizabeth J. "The Career Reasons for Nascent Entrepreneurs." ***Journal of Business Venturing,*** 18.1 Jan 2003: 13-39.

Cassar, Gavin. "The Financing of Business Start-ups." ***Journal of Business Venturing,*** 19.2 Mar 2004: 261-83.

Douglas, Evan J., and Shepherd, Dean A. "Self-employment as a Career Choice: Attitudes, Entrepreneurial Intentions, and Utility Maximization." ***Entrepreneurship: Theory and Practice,*** 26.3 Spring 2002: 81.

Education and Culture. "Educate Yourself to Widening Your Mindset in Life and Business." 10 Dec 2009. Web. 20 April 2010 <http://www.cpcpc.org/3/educate-yourself-to-widening-your-mindset-in-life-and-business#more-3>

Nancherla, Aparna. "Intelligence: Work Life." ***T+D,*** 63.1 Jan 2009: 18.

Townsend, David M., Busenitz, Lowell W., and Arthurs, Jonathan D. "To Start or Not to Start: Outcome and Ability Expectations in the Decision to Start a New Venture." ***Journal of Business Venturing,***25.2 Mar 2010: 192-02.

Watson, John. "Modeling the Relationship between Networking and Firm Performance. ***Journal of Business Venturing,*** 22.6 Nov 2007: 852-74.