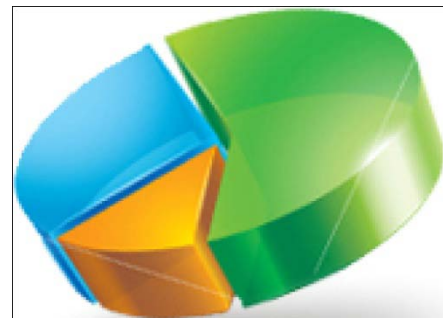




ISBN 987-0-9865136-1-9

Am I an Entrepreneur? Self-Assessment Package



By Leslie P. Roberts, PhD

Telephone: 1 877.345.2546

April, 2010

How to obtain more information

For information about GoForth Institute's Am I an Entrepreneur Self-Assessment Package or our Online Education for Entrepreneurs, visit our website at www.goforthinstitute.com or contact us by email at info@goforthinstitute.com or by phone from 8:00am to 5:00pm Monday to Friday MST at:

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April, 2010

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GoForth Institute's Self-Assessment for Entrepreneurs

You don't have to come from a certain background to be an entrepreneur – men, women and youth of all ages and cultures from all over the world are starting businesses. In fact, every hour of every day, 86 new businesses are started in North America.

We do know that there are four Capital Factors associated with success in business: i) Human, ii) Psychological, iii) Sociological, and iv) Financial factors. This self-assessment package is designed to evaluate your Capital Factors – areas where you are strong, and areas where you could use some help. It is important that you realistically assess your Capital Factors. Be honest – there is no judgement here. Areas of weakness can be developed over time with proper training, education, skill development, practice and experience – and then you'll have a great foundation for entrepreneurship.

Exercise 1. Human Capital

Human Capital refers to the set of skills, knowledge and abilities we develop through education, training and experience. In this case, we are interested in the skills, knowledge and abilities we've developed through our lives and careers that have led us to pursue the idea of starting our own business. In this section of the self-assessment we will assess five areas of your Human Capital: i) Technical skills, ii) Business skills, iii) Education, iv) Experience, and v) Wisdom and judgment.

Technical Skills Inventory

In this section we assess your technical skills with the GoForth Institute Technical Skills for Entrepreneurship Inventory™. You will be taking personal inventory of skills obtained and developed through employment, volunteer and community service, activism, research, special training, ethnic affinity club, faith community, travel and hobbies.

The following assessment can be used to develop an understanding of your technical skills, knowledge and abilities. Read each of the 35 technical skills or abilities in the Inventory. Honestly assess your level of competence by indicating a score from 1 to 5 for each skill, where 1 indicates you have no ability or experience with that skill, a 2 indicates you have limited ability or experience with that skill, a 3 indicates you have some ability or experience with that skill (at least one year of experience), a 4 indicates you have good ability or experience with that skill (at least three years of experience), and a 5 indicates you have a great deal of ability or experience with that skill (at least five years of experience). Circle your scores for each item. We will show you how to score the inventory later.

<i>Professional dress and appearance</i>	1 2 3 4 5
<i>Productivity without direct supervision</i>	1 2 3 4 5
<i>Successful teamwork experience</i>	1 2 3 4 5
<i>Library research</i>	1 2 3 4 5
<i>Internet research</i>	1 2 3 4 5
<i>Telephone survey or face-to-face interview research</i>	1 2 3 4 5
<i>Focus group research</i>	1 2 3 4 5
<i>Reading and synthesizing volumes of information</i>	1 2 3 4 5
<i>Editing experience</i>	1 2 3 4 5
<i>Working with the media</i>	1 2 3 4 5

<i>Writing experience</i>	1 2 3 4 5
<i>Trained in negotiating techniques</i>	1 2 3 4 5
<i>Experience with negotiations</i>	1 2 3 4 5
<i>Public speaking experience</i>	1 2 3 4 5
<i>Teaching or training experience</i>	1 2 3 4 5
<i>Computer skills</i>	1 2 3 4 5
<i>Math skills</i>	1 2 3 4 5
<i>Analyzing numbers for management decision-making</i>	1 2 3 4 5
<i>Organizing groups</i>	1 2 3 4 5
<i>Supervisory skills</i>	1 2 3 4 5
<i>Hiring, training, motivating others</i>	1 2 3 4 5
<i>Laboratory skills</i>	1 2 3 4 5
<i>Foreign language skills</i>	1 2 3 4 5
<i>International travel</i>	1 2 3 4 5
<i>Leadership training</i>	1 2 3 4 5
<i>Leadership experience</i>	1 2 3 4 5
<i>Fundraising experience</i>	1 2 3 4 5
<i>Event planning and management</i>	1 2 3 4 5
<i>Mechanical skills</i>	1 2 3 4 5
<i>Ability to understand technical manuals</i>	1 2 3 4 5
<i>Ability to diagnose computer hardware problems</i>	1 2 3 4 5
<i>Ethics training</i>	1 2 3 4 5
<i>Group dynamics and interpersonal skills training</i>	1 2 3 4 5
<i>Active in the community</i>	1 2 3 4 5
<i>Active in professional associations</i>	1 2 3 4 5

Scoring

Look closely at how you scored yourself on each of the items of the Technical Skills for Entrepreneurship Inventory. If you indicated 1 or 2 for any of the technical skills listed above, you may want to consider getting more training or experience to enhance these skills. A person with strong technical skills, abilities and experience is not guaranteed to succeed in business without education and experience in business.

Business Skills Inventory

In this section we assess your business skills with the GoForth Institute Business Skills for Entrepreneurship Inventory™. The Inventory is divided into four specific areas of business skills, knowledge and abilities that are clearly associated with success in entrepreneurship: i) Managing money, ii) Marketing, iii) Operations management, and iv) Managing a business. For each of the four areas, specific skills, knowledge and abilities are listed. Read each skill or ability in the Inventory. Honestly assess your level of competence by indicating a score from 1 to 5 for each skill, where 1 indicates you have no ability or experience with that skill, a 2 indicates you have limited ability or experience with that skill, a 3 you have some ability or experience with that skill (at least one year of experience), a 4 indicates you have good ability or experience with that skill (at least three years of experience), and a 5 indicates you have a great deal of ability or experience with that skill (at least five years of experience).

Managing Money

<i>Basic bookkeeping skills</i>	1 2 3 4 5
<i>Accounts payable and accounts receivable</i>	1 2 3 4 5
<i>Budgeting skills</i>	1 2 3 4 5
<i>Billing</i>	1 2 3 4 5
<i>Preparing financial statements</i>	1 2 3 4 5
<i>Knowledge of cash flow forecasts</i>	1 2 3 4 5
<i>Payroll experience</i>	1 2 3 4 5
<i>Reporting and paying taxes</i>	1 2 3 4 5
<i>Arranging financing and credit</i>	1 2 3 4 5

Marketing

<i>Knowledge of demographics and psychographics</i>	1 2 3 4 5
<i>Marketing research</i>	1 2 3 4 5
<i>Developing products and services to meet customer needs</i>	1 2 3 4 5
<i>Determining appropriate pricing strategies</i>	1 2 3 4 5
<i>Developing promotional strategies and budgets</i>	1 2 3 4 5
<i>Communicating with customers</i>	1 2 3 4 5
<i>Sales experience</i>	1 2 3 4 5
<i>Competitor analysis</i>	1 2 3 4 5

Operations Management

<i>Negotiating and purchasing experience</i>	1 2 3 4 5
<i>Managing inventory</i>	1 2 3 4 5
<i>Manufacturing or assembly experience</i>	1 2 3 4 5
<i>Managing facilities</i>	1 2 3 4 5
<i>Quality control management</i>	1 2 3 4 5
<i>Location analysis</i>	1 2 3 4 5

Managing a Business

<i>Advanced skills with PowerPoint</i>	1 2 3 4 5
<i>Economic analysis</i>	1 2 3 4 5
<i>Project management and planning skills</i>	1 2 3 4 5
<i>Knowledge of foreign business practice and protocols</i>	1 2 3 4 5
<i>Obtaining permits and licenses</i>	1 2 3 4 5
<i>Knowledge of federal, provincial and municipal regulations affecting your business</i>	1 2 3 4 5

Scoring

Look closely at how you scored yourself on each of the items of the Business Skills for Entrepreneurship Inventory. If you indicated 1 or 2 for any of the business skills listed above, you may want to consider getting more training or experience to enhance these skills. A person with strong business skills, abilities and experience has an 80-90% chance of succeeding in a new business venture. Compare that number to the 35% survival rate on average for most new ventures and it becomes a pretty persuasive argument for developing strong business skills.

Education

Ask successful entrepreneurs today about their educational background and most will tell you they finished high school and went on to complete advanced technical training, or general post-secondary. Research shows that small business owners in general have higher levels of education than employed workers. Research also supports the association between education and success in business, where education is seen as bettering one's position in life. Education increases our confidence and self-esteem, and supplies more information about the world around us - which improves our ability to perceive and to act upon business opportunities. In fact, the effect of education on entrepreneurial success is stronger and more positive than any other human capital variable.

In this section we assess your level of education with the GoForth Institute Education Inventory. Below is a list of formal educational outcomes. Professional development courses, ie., training, courses, and seminars provided through employers, trade or other professional associations, are not evaluated here. However, they are considered to be included in years of technical, managerial and entrepreneurial experience in the next section. Please indicate your highest level of formal education. Your score is calculated based on your highest level of formal education obtained plus a bonus for the completion of some adult education programs or training of any kind.

- I have not received any formal education (no points)*
- Elementary or grammar school (1 point)*
- Went to high school (2 points)*
- Graduated from high school (3 points)*
- Went to trade school (4 points)*
- Graduated from trade school (5 points)*
- Some college or university – non-business study (5 points)*
- Some college or university – business study (4 points)*
- Graduated from college or university – non-business study – ie. BA (5 points)*
- Graduated from college or university – business study – B.Comm., B.Mgmt. (6 points)*
- Some post-graduate study – non-business (6 points)*
- Some post-graduate study – business (7 points)*
- Have a post-graduate degree – non-business– ie. MA (8 points)*
- Have a post-graduate degree in business – ie. MBA (9 points)*
- Bonus – some adult education training – non-business (1 point)***
- Bonus – some adult education training – business (2 points)***

Scoring

Choose the educational outcome from the list above that best represents your highest level of formal education. Add bonus points if you have taken any additional adult education training. Scores will range from no points to a maximum of 12 points. For example, someone who has a post-graduate degree in business and who has taken both non-business and business adult education courses would score $9 + 1 + 2 = 12$ points.

If you scored 5 or less and you are intending to start your own small business, you might consider supplementing your education with business training. The slam-dunk educational preparation for small business success is education in business. This small business school's courses, certificate programs in business, bachelor degrees in business, commerce or management and small business seminars are all associated with success in entrepreneurship. Experience alone is no guarantee that you are doing something right, or that the way you are doing it is the best way. Education and formal training in business, particularly marketing, finance, accounting and law, are essential in today's competitive and challenging small business environment.

Experience

Author Steve Harper states it pretty clearly - "Anyone who is thinking of starting a business should get a job in a business of that type first." There is no substitute for experience. What better way is there to gain insight about things like products, services, customer needs and employees? The high failure rate for new small businesses in the first five years of operation suggests there is little room for mistakes. The competitive world of business today shows little mercy for the trial and error approaches often used by novices. Experience reduces the chances of something taking you by surprise in your business and will help you anticipate potential problems. Managerial experience in your type of business will enhance your chances of success even more.

In this section we assess your experience with the GoForth Institute Experience for Entrepreneurship Inventory™. There are three types of experience positively associated with successful entrepreneurship: i) Technical, ii) Managerial, and iii) Entrepreneurial. Read each of the experience items. Honestly assess your level of experience by indicating a score from 1 to 5 for each type of experience, where 1 indicates you have no experience, a 2 indicates you have limited experience, a 3 indicates you have some experience (at least one year of experience), a 4 indicates you have good experience (at least three years of experience), and a 5 indicates you have a great deal of experience (at least five years of experience).

Management Experience

<i>Management experience in a similar industry to that of my intended/current business.</i>	1 2 3 4 5
<i>Management experience in a different industry to that of my intended/current business.</i>	1 2 3 4 5

Technical Experience

<i>Technical experience in a similar industry to that of my current business.</i>	1 2 3 4 5
<i>Technical experience in a different industry to that of my current business.</i>	1 2 3 4 5

Entrepreneurial Experience

<i>Entrepreneurial experience in a similar industry to that of my intended/current business, ie. You have previously started a business in a similar industry.</i>	1 2 3 4 5
<i>Entrepreneurial experience in a different industry to that of my intended/current business, ie. You have previously started a business in a different industry.</i>	1 2 3 4 5

Scoring

Add up your experience scores for each of the three categories. If you scored two or less for managerial, technical or entrepreneurial experience, you might consider gaining more experience before you start a small business. There are many places, other than through employment, to gain valuable experience that will serve you well in entrepreneurship. Volunteer through community service, recreational sport team management, military service, management roles in professional clubs or associations, volunteer parent organizations, or faith organizations.

Wisdom and Judgement

The old saying “You cannot put an old head on young shoulders” applies here. Although small businesses are started by men and women of every age, culture, social background and financial circumstance, there is no substitute for the wisdom and judgement acquired throughout our lives.

Wisdom is the gift of shared insight. It is more than information. More than skills. More than procedures we can learn. What makes wisdom unique is its foundation of experience, integration with other meaningful insights, and of course, the journey we travel with others to learn and adapt.

Wisdom and judgment follows the path of our lives – the successes, the failures, the in-betweens – as the knowledge necessary to lead a good life. From failure, comes knowledge of what we’d do differently next time to avoid such failure. From success, comes knowledge of what to replicate, how to build, how to do it all over again to achieve the same wonderful result. From both, comes the ability to discern the difference – improved judgement.

In this section we assess your wisdom and knowledge with the GoForth Institute Wisdom and Judgement in Business™ scale. Read each statement below. Indicate your level of agreement or disagreement with each statement between 1 and 5, where a 1 indicates you completely disagree with the statement, a 2 indicates you somewhat disagree with the statement, a 3 indicates you neither agree nor disagree with the statement, a 4 indicates you somewhat agree with the statement, and a 5 indicates you completely agree with the statement.

<i>I try to examine all sides of an issue in business before I make up my mind on it.</i>	1 2 3 4 5
<i>I believe we can learn as much from our mistakes in business as we can our successes.</i>	1 2 3 4 5
<i>I am comfortable with all kinds of people.</i>	1 2 3 4 5
<i>Ignorance is not bliss.</i>	1 2 3 4 5
<i>If I see someone in need, I will try to help them one way or another.</i>	1 2 3 4 5
<i>I am annoyed by unhappy people who just feel sorry for themselves.</i>	1 2 3 4 5
<i>Before criticizing someone at work, I try imagine how I would feel if I were in their place.</i>	1 2 3 4 5
<i>I always find it easy to see another’s point of view.</i>	1 2 3 4 5
<i>I am never irritated by people at work whose opinions differ from mine.</i>	1 2 3 4 5
<i>Sometimes, I feel very sorry for people when they are having problems.</i>	1 2 3 4 5
<i>I am not in business for the money.</i>	1 2 3 4 5
<i>I see my business as an expression of the very best parts of me.</i>	1 2 3 4 5
<i>I always behave in business as if I know what I’m doing.</i>	1 2 3 4 5
<i>“Do unto others as you would have them do unto you” is my personal motto.</i>	1 2 3 4 5
<i>Relationships in business are a two-way street.</i>	1 2 3 4 5
<i>I always remember to feel gratitude when someone does something nice for me.</i>	1 2 3 4 5
<i>I believe I am in complete control of my own destiny in business.</i>	1 2 3 4 5
<i>It is not important to me what kind of car I drive as long as it gets me where I want to go.</i>	1 2 3 4 5
<i>I always give credit where credit is due in business.</i>	1 2 3 4 5
<i>I would rather find the smartest person in a meeting room than be the smartest person in the room.</i>	1 2 3 4 5
<i>I enjoy sharing my vision of the future with others in business.</i>	1 2 3 4 5
<i>I would never lie to save my reputation in business.</i>	1 2 3 4 5

Scoring

Add up your scores for each of the 22 items above. The GoForth Institute Wisdom and Judgement in Business™ scale was developed and tested not to predict your success in business, but to give you insight into your level of wisdom and judgement at this point in your career. The higher your score, the more wisdom and judgement you have developed. Successful entrepreneurs showed an average score in our testing of 78 points.

If you scored less than 30 points, you may need to invest time to understand why you see the world the way you do. Businesspeople who possess wisdom and good judgement see the world not as what the world can do for them, but what they can do for the world. To the person who is wise and has good judgement in business, there is less expectation that the world owes them opportunity, and more expectation that opportunity is available to each of us. Wise entrepreneurs and businesspeople believe we are in control of our dreams, ideas, opportunities, goals, and achievements. They care for and have compassion for others. They have a desire to make heroes of all those they work with. Wisdom and good judgement are cornerstone values to success in business.

Exercise 2. Psychological Capital

The GoForth Institute Psychological Capital Assessment™ was developed by us to measure your entrepreneurial “mindset” or the attitudes, traits and characteristics associated with success in entrepreneurship. You will be indicating your level of agreement or disagreement with a series of statements. At the end of the assessment you will be calculating your score on each factor – and you will be offered our advice on how to improve or develop factors where your score was below average.

Read each statement below. Indicate your level of agreement or disagreement with each statement between 1 and 5, where a 1 indicates you completely disagree with the statement, a 2 indicates you somewhat disagree with the statement, a 3 indicates you neither agree nor disagree with the statement, a 4 indicates you somewhat agree with the statement, and a 5 indicates you completely agree with the statement.

Passion

Once I set a goal, it would take a team of wild horses to turn me away from achieving it. 1 2 3 4 5

I am basically an optimistic person – I see the glass as half full. 1 2 3 4 5

I am always happy. 1 2 3 4 5

I feel energized throughout my day. 1 2 3 4 5

Thinking about my future as a successful entrepreneur makes me very energized. 1 2 3 4 5

I am thrilled with the prospect of being my own boss. 1 2 3 4 5

Nothing will stand in the way of my success in business. 1 2 3 4 5

I know that I am completely in control of my own destiny. 1 2 3 4 5

When someone says something negative about me or my ideas, I don't usually take it personally. 1 2 3 4 5

I've always believed that if you're not passionate about what you're doing in business, then don't do it. 1 2 3 4 5

Faith and Commitment

When my future in business is uncertain, I rarely spend time worrying about it. 1 2 3 4 5

My friends who know me would describe me as very trustworthy. 1 2 3 4 5

When I make a commitment, I keep it. 1 2 3 4 5

<i>Other people's opinions don't usually influence the way I think or feel about something.</i>	1 2 3 4 5
<i>I always make up my own mind about things.</i>	1 2 3 4 5
<i>I am rarely influenced by others' opinions.</i>	1 2 3 4 5
<i>I will not lose sleep over an issue at work.</i>	1 2 3 4 5
<i>"When the going gets tough, the tough get going" is what I always say about business.</i>	1 2 3 4 5
<i>When the odds are stacked against me, I don't fear failure.</i>	1 2 3 4 5
<i>I never fear failure because I know I can learn from my mistakes.</i>	1 2 3 4 5

Tolerance of Risk and Uncertainty

<i>I always believe that my business decisions are the best I can make with the information I have at the time.</i>	1 2 3 4 5
<i>Having a predictable, stable income is not very important to me.</i>	1 2 3 4 5
<i>It is not important for me to know how I will spend my work day.</i>	1 2 3 4 5
<i>I am completely comfortable not knowing what my income will be in the next year.</i>	1 2 3 4 5
<i>I am not one of those people who need to plan their lives to the last detail.</i>	1 2 3 4 5
<i>I enjoy spontaneity.</i>	1 2 3 4 5
<i>When the spirit moves me, I like to be impulsive and do something unplanned.</i>	1 2 3 4 5
<i>Not knowing where my next paycheck is coming from motivates me to work hard.</i>	1 2 3 4 5
<i>I am not afraid to fail.</i>	1 2 3 4 5
<i>I know that whatever happens in my business, I'll be able to handle it.</i>	1 2 3 4 5

Adaptability

<i>I am completely comfortable when my plans for my day at work change suddenly.</i>	1 2 3 4 5
<i>When I suffer a setback at work, I always bounce back right away.</i>	1 2 3 4 5
<i>I take it in stride when someone breaks a an appointment with me.</i>	1 2 3 4 5
<i>I am excellent at improvising when faced with unanticipated obstacles at work.</i>	1 2 3 4 5
<i>It is easy for me to switch gears and try a different approach to solving a problem at work.</i>	1 2 3 4 5
<i>I am very comfortable dealing with the unexpected at work.</i>	1 2 3 4 5
<i>I am rarely bothered if I have to move to another task at work before the first one is completed.</i>	1 2 3 4 5
<i>I believe that change is a good thing.</i>	1 2 3 4 5
<i>No matter what happens at work, I know that I'll be able to adapt.</i>	1 2 3 4 5
<i>People who know me would describe me as being very flexible.</i>	1 2 3 4 5

Leadership

<i>I particularly enjoy leading and motivating the people I work with.</i>	1 2 3 4 5
<i>People who know me would say that I was a natural born leader.</i>	1 2 3 4 5
<i>I am completely comfortable delegating tasks to other at work to complete.</i>	1 2 3 4 5
<i>Setting goals and helping others achieve those goals is something I really enjoy about business.</i>	1 2 3 4 5
<i>In an emergency situation, I feel comfortable taking charge of the situation.</i>	1 2 3 4 5
<i>I am a visionary.</i>	1 2 3 4 5
<i>I think about my future career and devise plans to get to where I want to be.</i>	1 2 3 4 5

I am totally comfortable managing a team of people including giving negative feedback where warranted. 1 2 3 4 5
I know that people look up to me. 1 2 3 4 5
I am a self-starter - I take charge and set my own path in business. 1 2 3 4 5

Drive and Determination

I am an extremely hard working individual. 1 2 3 4 5
I always feel driven to complete every project I start. 1 2 3 4 5
When I say I'm going to do something – I do it! 1 2 3 4 5
I enjoy looking at a business problem from all angles to find the right solution. 1 2 3 4 5
I don't get discouraged easily. 1 2 3 4 5

I possess a lot of drive when it comes to achieving my goals in business. 1 2 3 4 5
I have bulldog determination when I need to make something happen. 1 2 3 4 5
People who know me well would describe me as "strong-minded." 1 2 3 4 5
I am very comfortable being a decision-maker. 1 2 3 4 5
I am always decisive when making important decisions in business. 1 2 3 4 5

Energy

It is not important for me to set my own hours at work. 1 2 3 4 5
I always feel hopeful and upbeat about the future. 1 2 3 4 5
I never get depressed about the way things are going in my life. 1 2 3 4 5
Those who know me well would say I work too hard and need to slow down. 1 2 3 4 5
I would say I have more energy than most people I know. 1 2 3 4 5

I will do anything I can to make sure a project gets done on time. 1 2 3 4 5
I'll work as long as it takes to get the job done. 1 2 3 4 5
I never procrastinate – if something needs to be done at work, I get on it. 1 2 3 4 5
When I'm doing something I enjoy, time passes very quickly. 1 2 3 4 5
I take great satisfaction from working hard and getting a task done well. 1 2 3 4 5

Interpreting Your Results of the Psychological Capital Assessment

Add up your scores for each of the seven psychological attitude scales. Write the number beside each factor.

Passion _____
Faith and Commitment _____
Tolerance of Risk and Uncertainty _____
Adaptability _____
Leadership _____
Drive and Determination _____
Energy _____

The GoForth Institute Psychological Capital Assessment™ was developed and tested not to predict your success in business, but to give you insight into your “entrepreneurial mindset.” This is measured on seven psychological factors most associated with successful entrepreneurship. When reviewing your Psychological Capital Assessment scores, focus on your strengths and don’t be discouraged by weaknesses. Remember that even the world’s most successful entrepreneurs and businesspeople have weaknesses. They succeed in spite of them because they work to develop these skills and competencies, maximizing their abilities in all critical areas of business.

The higher your score on each of the seven psychological capital factors, the more your personality matches those of successful entrepreneurs.

If you scored 35 points or more on any of the Psychological Capital Factors, these are areas in which you are strong. Alternatively, if you scored less than 20 points on any of the Psychological Capital Factors, these are areas in which you need to develop tolerance, skills or abilities. Let’s review each of the seven Psychological Capital factors and your scores.

Passion

If your score was 35 or above, you have above-average passion for business. Small business operation puts us to the test – emotionally, physically, and spiritually. It is easier to remain steadfast in our pursuit of success in business when we love what we are selling, distributing, building, and supplying to the marketplace. Our advice? If you don’t love it, don’t do it.

If your score was less than 20, you have a below-average passion for business. But don’t lose heart! This only means that you might need to find that one idea that makes you feel like you’ve put your finger in a light socket. As Steve Jobs said, “Don’t settle. If you haven’t found it, then keep looking.”

Faith and Personal Commitment

Similar to passion, these characteristics can help us overcome immeasurable obstacles in business and help to compensate for areas of weakness.

If your score was 35 or above, you have above-average faith and personal commitment in business. Faith and personal commitment are required in nearly all new business ventures if they are to survive and prosper. Successful entrepreneurs can overcome obstacles and deal with challenges head-on, and are less likely to give up when things get difficult.

If your score was less than 20, you have below-average faith and personal commitment in business. This may mean that you haven’t found the business idea to have faith in, or to be personally committed to. Keep looking. You’ll find it.

Tolerance of Risk and Uncertainty

Successful entrepreneurs learn to live with risk and uncertainty, becoming masters at evaluating risk and crafting strategies to survive difficult times. Similarly, learning to thrive in unpredictable and uncertain business conditions is critical, and is often the source of good ideas, inventions or innovations in small business.

If your score was 35 or above, you have above-average risk and uncertainty tolerance in business. Good for you. If you scored 45 or above, you may tolerate too much risk. It’s important to not go overboard. Successful entrepreneurs tolerate and moderate risks; they are not, by definition, risk-takers. Rather, they are calculated risk-takers.

If your score was less than 20, you have below-average risk and uncertainty tolerance in business. Your challenge will be to develop enough tolerance of risk and uncertainty to cope with entrepreneurship. This may require some psychological adaptation on your part to feel more comfortable with uncertainty and more tolerant of moderate risks. Starting a business involves risk and you will need to learn how to moderate and tolerate it.

Adaptability

If your score was 35 or above, you have above-average adaptability in business. You will likely be able to keep track of what's happening in the business environment – what your customers are thinking, what your competitors are doing, what your suppliers are up to, how technology is changing, what's happening in the economy and how those changes will affect your business.

If your score was less than 20, you have below-average adaptability in business. You may be less likely to make appropriate changes in your business to take advantage of changing circumstances in the business environment. This may require psychological adaptation by you to become more comfortable with changing environments. Small business training and education will help you become more comfortable and adaptive to change.

Leadership

Successful entrepreneurs have a way of imparting their passion, vision, and goals in others without really trying. The most successful entrepreneurs can exert influence on others without formal authority or power. They are persuasive, supportive of others and lead by example. They are true leaders.

If your score was 35 or above, you have above-average leadership ability in business.

If your score was less than 20, you have below-average leadership ability in business. Fortunately, leadership is something that can be learned. You may wish to consider getting more experience managing, directing, leading and communicating with groups of people. This can be accomplished at work, or through recreational club settings, and other volunteer organizations such as your child's soccer team, in your faith community, or other associations or organizations.

Drive and Determination

Successful entrepreneurs possess a natural ability to keep going when the going gets tough, and are motivated to excel at what they do. The odds of business success are stacked against new small businesses – an entrepreneur's drive and determination to succeed can be the tipping point in their favour. If your score was 35 or above, you have above-average drive and determination in business. You are more likely to be tenacious and driven to accomplish tasks and achieve goals in business.

If your score was less than 20, you have below-average drive and determination in business. You may encounter challenges in entrepreneurship which appear impossible. Until you develop the necessary drive and determination it will take to succeed in business, you should consider surrounding yourself with people who believe in you and in your business – they can give the push you need until you develop your own determination to succeed.

Energy

Starting and growing a successful business takes lots of hard physical and emotional work to get the job done. This takes energy. Energy is a not-so-learnable psychological trait. Some people have lots of energy, others don't.

If your score was 35 or above, you have above-average energy in business. You are more likely to tolerate long hours, hard work, insecure income and loneliness that faces all entrepreneurs at some point along the way.

If your score was less than 20, you have below-average energy in business. You should consider preparing for entrepreneurship as if you're training to run a marathon. Take stock of your emotional, physical and spiritual stability – are you in good health? Are you emotionally stable? Do you have a faith community or other network of community support to help you cope with challenging times that lay ahead? Now is the time to work on you – not in the middle of the race, and not when you are in the middle of starting or growing your venture. Give yourself the fuel you need to keep going.

Exercise 3. Sociological Capital

An entrepreneur's sociological capital is his or her sphere of social connection in family, social, professional and recreational networks, entrepreneurial role models and supporting networks, comprising lawyers, bankers, accountants, suppliers, potential customers, and investors. Research has consistently linked strong social networks to success in entrepreneurship. It's time to measure your Sociological Capital.

The GoForth Institute Sociological Capital Assessment was developed and tested by us to measure the strength of your support system – the extent of your social network of people who can support your goal of becoming a successful entrepreneur. Read each of the 22 statements below. Indicate your level of agreement or disagreement with each statement between 1 and 5, where a 1 indicates you completely disagree with the statement, a 2 indicates you somewhat disagree with the statement, a 3 indicates you neither agree nor disagree with the statement, a 4 indicates you somewhat agree with the statement, and a 5 indicates you completely agree with the statement.

Family Network

- My spouse/significant other is in complete agreement with my starting a business.* 1 2 3 4 5
My parents are really encouraging me to pursue my own business. 1 2 3 4 5
My extended family believes in my ability to become a successful entrepreneur. 1 2 3 4 5

Social

- My friends are encouraging me to pursue small business ownership.* 1 2 3 4 5
I have many friends who will do what it takes to help me succeed in business. 1 2 3 4 5
I have lots of friends who are entrepreneurs. 1 2 3 4 5
I have a large network of friends in this town who will introduce me to others. 1 2 3 4 5

Professional and Recreational Networks

- I know a lot of people in this town, and most would be happy to do business with me.* 1 2 3 4 5
I have worked hard to develop a truly strong reputation in business. 1 2 3 4 5
I am a member of a professional organization and I regularly attend member meetings. 1 2 3 4 5
I play a team sport in a recreational sporting league. 1 2 3 4 5

Entrepreneurial Role Models

- I come from an entrepreneurial family.* 1 2 3 4 5
I have close relatives who are successful entrepreneurs. 1 2 3 4 5
I know many successful entrepreneurs in the industry in which I intend to launch a business. 1 2 3 4 5

Supporting Networks

<i>I have a lawyer that I usually deal with.</i>	1 2 3 4 5
<i>I know a good accountant who has knowledge of small business management.</i>	1 2 3 4 5
<i>I know a good bookkeeper.</i>	1 2 3 4 5
<i>I know my banker by name.</i>	1 2 3 4 5
<i>I have access to a corporate insurance agent.</i>	1 2 3 4 5
<i>I personally know several suppliers in the industry in which I plan to launch my business.</i>	1 2 3 4 5
<i>I have access to several potential customers who could give me feedback on my business concept.</i>	1 2 3 4 5
<i>I know an angel investor or venture capitalist that might be able to help with start-up or growth capital for my business.</i>	1 2 3 4 5
<i>I have contacts in the IT industry who could advise me on web development and e-commerce.</i>	1 2 3 4 5
<i>I know where I can get small business training (shameless marketing, sorry).</i>	1 2 3 4 5

Scoring

A score of three or less on any of the statements suggests an area where you could work to develop that social network. Networks seem to be used by entrepreneurs mostly during the pre-venture start-up and planning stage and less so later on. One theory is that there is more time available to the business founder during the pre-venture stage to access members of his or her networks than there is during the actual start-up stage. Networks have been shown to be related to success in business venturing. If your networks are limited, recognise this and make a plan of action. Set a goal of making one new contact in business every business day. That's over 200 new contacts in a year. Join business networks such as LinkedIn, Xing, Biznik, and other social networking sites such as Facebook, MySpace, and Twitter and watch your networks grow.

Exercise 4. Financial Capital

Does it really take money to make money? We think the question should be: how long will it take before I'll be able to pay myself a decent salary? That's the real question. Of course the answer to that question depends on the type of business you're thinking of starting. New businesses, like most things, take money to get started. You'll need start-up capital to buy office furniture, computers, and other equipment. You'll need operational capital to run the company before you make your first sale, and you'll need personal financial reserve capital – money to pay your household and living expenses before your company has started to generate cashflow. Most businesses don't become profitable until the third year of operations on average – so you must determine whether or not you can weather the financial storm that will ensue without a secure income.

Your Family Balance Sheet

Your Family Balance Sheet provides you with a snapshot of your personal financial situation – what you own (assets) and what you owe (liabilities). Whatever is left over is your family net worth. Net worth can be a positive number, meaning the value of things you own is greater than the value of things you owe money on. Net worth can also be a negative number, meaning the value of things you own are worth less than value of the loans against them. Complete the worksheet below to create a snapshot of your family's net worth.

Current Assets:	Short-term liabilities:
Cash (in bank accounts)	Credit card debt
Savings bonds	Personal line of credit
Investment certificates	Short-term loans
Stocks , mutual funds, and bonds (registered and non-registered accounts)	Personal income taxes due on instalment payment
Employer's pension plan	Other short-term liabilities
Life insurance – cash surrender value	Total short-term liabilities:
RESPs	
Total current assets:	Long-term liabilities:
Business property real estate	Mortgage - home
Personal real estate	Mortgage - business
Cars	Car loan
Boats, motorcycles, RVs, trailers	Other long-term debt
Art	Total long-term liabilities:
Jewellery	
Household furnishings, TV, stereo	
Other personal property	
Other assets:	
Total long-term assets:	
TOTAL ALL ASSETS (A)	TOTAL ALL LIABILITIES (B)

Net worth Analysis

Total Assets (A) _____

Total Liabilities (B) _____

Net Worth (A-B = C) _____

Debt / equity ratio = Total Liabilities (B) divided by Net Worth (C) _____

If your debt equity ratio exceeds 50% you may want to discuss your desire to start a business with your banker or financial planner to make sure that starting a small business is right for you.

The items listed in the Family Balance Sheet are not exhaustive; you should use the form as a starting point to think about your present financial situation. If you need \$50,000 to start your business, where will that money come from? Savings? Sale of personal assets? Bank loans? Investors? You should know the health of your Family Balance Sheet before you approach family members, friends, investors or your banker. If your balance sheet is not healthy - in other words you owe more than you own - you'd better get your financial house in order before you start a new business.

Your Family Monthly Budget

In addition to understanding your net worth situation, you will need to know how you will pay for your monthly living expenses. Do you have sufficient savings to cover your monthly living expenses for six months? For one year? For more than one year? Can you afford to lose the investment you make in your business? The number one worry reported to us by successful and not-so-successful entrepreneurs is money! From the Family Monthly Budget you will be able to calculate the minimum amount of money you will need to keep your household running smoothly while you get your business started.

Income:	
Your monthly salary after tax	
Your partner's monthly salary after tax	
Other income	
Total monthly household income: (A)	
Expenses:	
Living/Housing:	
Rent or mortgage payment (including tax)	
Utilities	
Internet	
Cable or satellite TV	
Telephone	
Condominium fees	
Other Living/Housing Expenses	
Regular Payments:	
Car loan payments	
Household furnishings loan payments	
Credit card payments	
Healthcare insurance premiums	
Auto and home insurance payments	
Property tax monthly payment	
Childcare expenses	
Student loan payment	
Other regular payment:	
Food and Entertainment Expenses:	
Groceries	
Restaurant meals	

Entertainment – movies, bars, cafes	
Other food and entertainment Expenses:	
Personal and Household Expenses:	
Clothing, dry cleaning	
Hair and nails	
Medications	
Doctor and dentist visits	
Travel	
Spending money	
Personal cellular phone bill	
Pet food and veterinary expenses	
Automotive – gas, repairs, parking	
Bus, train, taxi expenses	
Other Personal Expenses	
Other Monthly Expenses:	
Charity and donations	
Membership fees and dues – spas, gyms	
Classes and lessons – yoga, music	
Savings deposit	
Other monthly expenses	
Total monthly household expenses: (B)	
Net Income: (Total Income minus Total Expenses): A-B	

What Did I Just Do?

Congratulations! You've completed GoForth Institute's Self-Assessment for Entrepreneurs - an evaluation of your skills, knowledge, abilities, education, experience, personality, social and professional networks and financial readiness for entrepreneurship. Sometimes it's challenging to face our fears and weaknesses head on; other times it's a real kick to find out we're more talented or better prepared for something than we thought. This newfound understanding of yourself and all that makes you who you are, particularly in relation to starting a small business, is a great foundation. So is learning how to run a great business – join us for GoForth Institute's Online Education for Entrepreneurs. Visit www.goforthinstitute.com to register. Knowledge is the best investment you can make.