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Entrepreneurial Checklist Tool for Beginning Farm and Home-Based Businesses

AR Rafie

Virginia State University, arafie@vsu.edu

Theresa Nartea

Virginia State University, tnartea@vsu.edu



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Entrepreneurial Checklist Tool for Beginning Farm and Home-Based Businesses

A.R. Rafie

Extension Specialist-Horticulture

arafie@vsu.edu

Theresa Nartea

Extension Specialist-Marketing & Agribusiness

tnartea@vsu.edu

Virginia Cooperative Extension

Virginia State University

Petersburg, Virginia

Abstract: Extension educators entertain frequent questions on beginning a farm or starting a home-based business. Retired, unemployed, and displaced workers consider starting a small farm or home-based business. Determining educational needs or individual business aptitude is time consuming. Lengthy and comprehensive skill-based checklists exist for business self assessment (Boehlje, Dobbins, Miller, Bechman, & Rausch, 2000). Authors suggest Extension educators use a simple personality-based checklist tool to assist individuals in assessing entrepreneurial ability prior to starting a beginning farm and home based business.

Introduction

New business start-ups are at the highest rate since 1995 (Weitekamp & Pruitt, 2010). Five out of 10 new businesses fail within the first 5 years of starting (Small Business Administration, 2010). Bassano and McConnon (2008) attributed inadequate business skills for small business failure rates of 60% within the first 5 years of operation. A recent study of Amish businesses revealed a 95% survival rate after 5 years (Wesner & Kraybill, 2010). Entrepreneurial skills and cooperation were the primary reasons cited for Amish business success.

Entrepreneurial personalities and individual characteristics are a key determining factor in future business success. Reilly and Millikin (1996) developed a checklist illuminating successful entrepreneurial characteristics. Extension educators can utilize a simple checklist tool to assist individuals prior to starting a beginning farm and home based business.

Entrepreneurial Characteristics Checklist

The following checklist developed by Reilly and Millikin (1996) benefits both Extension educators and individuals seeking to begin a business (Figure 1). Extension educators gain insight into new clientele. Individuals understand the qualities necessary to sustain a long-term business endeavor.

Figure 1.

Characteristics of Successful Entrepreneurs Checklist (Reilly & Millikin, 1996)

Circle the indicator listed that best describes you or your employee.

V = Very much like me, S = Somewhat like me, N = Not like me at all.

Successful entrepreneurs typically:

Are decisive decision makers. V S N

Entrepreneurs tend to make decisions early and instinctively and are often forced to rely on their judgment and make decisions without complete information. If you agonize over decisions this is not you.

Enjoy taking charge. V S N

Successful entrepreneurs enjoy taking charge and following through to the end. Entrepreneurs are good at finishing projects, getting closure as well as grabbing them from the start.

Want to be master of their financial destiny. V S N

Entrepreneurs typically have less desire to get rich as to "do their own thing" and prove they are right. In fact, entrepreneurs usually make less money than they would be working for someone else. Their real income is psychic income, the satisfaction that comes from doing what they know is right.

Are organized, independent and self-confident. V S N

Entrepreneurs usually have few people to rely on. They must be able to perform all the different parts of their business alone.

Are hard workers. V S N

People who start small businesses usually work longer, harder and more stressful hours than people who work for someone else, largely because entrepreneurs have no one to fall back on.

Come from a small business or agricultural background. V S N

Entrepreneurs who have been involved in small family businesses have a better chance at success. They are generally able to recognize the characteristics and sacrifices required by small business people, and know what they are getting into from the start.

Can take criticism and rejection. V S N

An entrepreneur must be able to take criticism and rejection and bounce back with a positive aspect. If you turn off at the first sign of trouble, you are probably not the kind of person who will be successful in a small business.

Have specialized business ability from experience or education. V S N

Individuals who enter a business with which they are familiar, either by

Individuals who enter a business with which they are familiar, either by education or experience, have a higher success probability.

Are determined and persistent.

V S N

Successful entrepreneurs typically go where angels fear to tread. They must be able to successfully avoid nagging doubts and "keep on keepin' on."

Can find people to shore-up weakness, Are good judges of talent and character.

V S N

Typically, an entrepreneur's major problems are people. It is necessary to assemble a group of people who make up for the talents you lack.

Can see how all the parts fit together.

V S N

As the owner of a small business, you have to wear many hats: finance, marketing, accounting, bookkeeping, human relations and more. It is necessary to see how these different pieces fit together to form the entirety of the business.

Entrepreneurial skill sets are indicated by a majority of "V" or "Very much like me" answers. Non-entrepreneurial skill sets are indicated by a majority of "N" or "Not like me at all" answers. Extension educators utilize the answers to develop a skill-building plan involving educational partnerships with local small business centers <<http://www.sba.gov/localresources/index.html>> and small business mentoring services such as the Service Corps Of Retired Executives (SCORE) <<http://www.score.org/index.html>>.

Conclusion

Starting a small business and remaining in business involves decisiveness, leadership, organization, independence, self-confidence, determinism, and persistence. Reilly and Millikin (1996) indicated additional qualities: desiring to master financial destiny, having specialized business ability from experience or education, and visualizing how parts fit together seamlessly. Extension educators promote small business success by raising client awareness of entrepreneurial traits needing attention. Utilizing the Characteristics of Successful Entrepreneurs Checklist (Reilly & Millikin, 1996) assists researchers and Extension educators in partnering and implementing projects with individuals identified as entrepreneurs. Identifying highly motivated and innovative individuals increases likelihood of Extension project success. Self-assessment is a powerful tool encouraging clients to acquire necessary entrepreneurial traits through educational partnerships.

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