



Building Competitive Companies Since 1946

What Do You Need to Know To Be a Successful Entrepreneurial Leader?

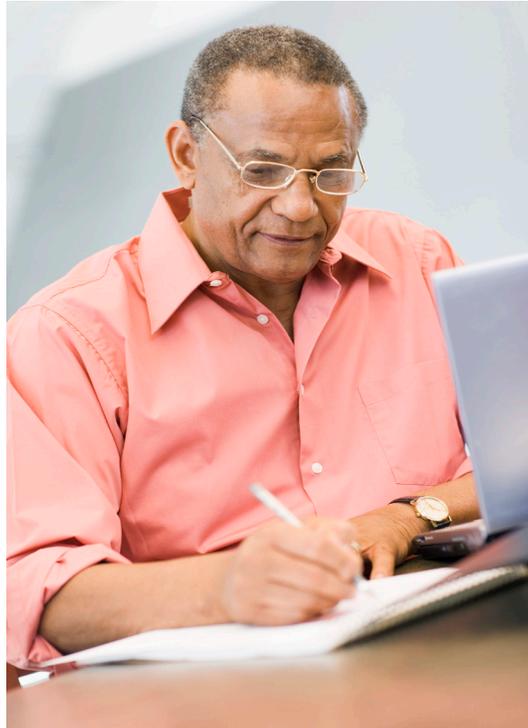
So, you want to be an entrepreneur. Doesn't everyone these days? And why not? If you are an individual who is willing to take the risk and operate a business, how do you know what you need to know? What competencies do you need to increase your opportunities for success?

Most entrepreneurs are noted for their independence and risk-taking which can be the driving forces in their personalities that lead them to start a business rather than work for someone else. The competencies required to start a business, however, are different from those required to make it financially successful and manage the enterprise to grow further in size. Indeed, many entrepreneurs recognize that they are more effective in starting a business and helping it achieve an initial degree of success than they are in growing the business to be profitable as a larger enterprise.

There are many things that are important to know to successfully operate and grow a business and perhaps the most important is to have a good self-understanding of your strengths and weaknesses. Even if you are an aspiring entrepreneur, this type of self-examination is highly important if you are to recognize what type of help and team you will need around you to complement your capabilities.

How do you go about obtaining a self-assessment? You can ask your significant other to talk about your weaker areas but that is probably not good for your

relationship. Seeking an objective third party who helps individuals assess their strengths and weaknesses is more effective and provides a greater chance that you will actually listen and consider the feedback. As confident entrepreneurial types are less inclined to assess themselves objectively, seeking outside feedback is a smart idea.



No entrepreneur is perfect and very few start off possessing all the skills, knowledge and competencies that they need to ensure the success of their enterprise. Learning to adapt to, and surmount, limitations and obstacles is a requirement of those who succeed. Most entrepreneurs readily admit a lack of financial, sales, or operational expertise and it is easier for them to understand the need to get help in these areas. Where they struggle, however, is in the areas of critical thinking, human relations, management and leadership. Entrepreneurship is truly not a one person show and utilizing the skills and expertise of others is essential to success once you

start putting together a business that requires other people. Keep in mind that fully utilizing a team of employees has the potential of lessening the burden on you, the leader, as well as helping the staff you have assembled feel good about their role and contribution.

Entrepreneurs are often required to wear the hats of both leader and manager. One is not more important than the other as both are necessary to the success of any enterprise. Leaders, of course, are more often

the passion behind an idea that starts the enterprise in the first place. As the leader, it is important to develop a clear vision of how you want to run your company. What type of culture do you wish to operate by and what values will be touchstones? It is important to remember that your behavior as a leader will be a model for others. If you do not follow what you preach, in terms of workplace values and behaviors, then no one else will either.

Leaders must also manage their own stress levels and help reduce the negative stress in the enterprise. While the positive stress of growing an enterprise can be motivational and make work enjoyable, negative stress that often results from blaming others for mistakes and treating employees poorly is a recipe for failure. It is important as a leader to create the type of work environment that others want to excel in. For most employees, this means having supervisors and managers that deal with problems and issues quickly and fairly, and remove obstacles that prevent them from doing their jobs as well as possible. It means encouragement during tough times and praise and celebration for a job well done.

Communication is also an essential competency for leadership. Successful leaders in any enterprise spend the vast majority of their time communicating with others. Employees want to know what's going on in the company and they want their leaders to be interested in them as people and not simply as human capital tools.

Leadership alone, however, is not enough to run a successful company. It also requires good management skills. A good manager must be able to set well defined business objectives and outline the actions that need to be taken to achieve these objectives. They must also utilize efficient work procedures and metrics to make sure things get done on time and with good quality and customer service. Regular meetings that include open discussions about successes, failures, and challenges are necessary. Plans also need to be made for resolving problems and moving the company forward.

As both leadership and management capabilities are required for entrepreneurs to be successful, an assessment of your skills in these areas is helpful for knowing what areas should be developed, as well as what assistance you may need from other employees.

The expectations for an entrepreneur are quite high and that is likely the reason that most do not succeed. It is usually not possible to know everything you need to know when you first start and that is why successful entrepreneurs are known for their continuous efforts to learn and improve their capabilities. While most entrepreneurs are prepared for the need to increase their technical and business understanding, what separates the winners from losers is their ability to recognize and develop other necessary competencies and to secure the right team of people to support and complement them.

How PSP Assessments Benefit Entrepreneurs:

- Provides objective insights into hard/soft skills, and how one is perceived by others.
- Measures critical thinking, communications, management and leadership skills.
- Helps identify the types of individuals who can complement one's strengths and weaknesses.
- Prepares one for leading and managing a team of employees more effectively.



PSP Metrics is a leading provider of pre-employment screening tools for the manufacturing, consumer products, utility and service industries. We adapt applicant screening tools to the information needs and budget of each customer and provide 24-hour turnaround of test results worldwide. We also design tools for employee retention, management development, and succession planning.