

Building Your Entrepreneurial Skill Set

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Trailblazing by their very nature, entrepreneurs tend to forge their own paths and follow their own rules. However, they share a great deal when it comes to the specific abilities that they draw upon during their entrepreneurial journeys.

If you want to operate your own business or pursue a career in entrepreneurship, you will want to develop a skill set for success. Read on to learn how to identify and strengthen your essential areas of entrepreneurial expertise.

Characteristics of an Entrepreneur

Some people believe that great leaders are born, while others think that ordinary people can rise to the occasion and transform themselves into great leaders through a combination of passion, hard work, and dedication. No matter where you stand on this ongoing “nature vs. nurture” debate, we can all agree that the world’s leading entrepreneurs share many characteristics. Even the average small business owner will tend to possess most, if not all, of the following characteristics:



Decisiveness

A successful entrepreneur is faced with a constant stream of challenges throughout the average workday. Entrepreneurs are solely responsible for establishing the trajectory of their new business and leading it as it evolves and grows, meaning that they must make many difficult decisions with enough wisdom and foresight to stand firmly behind them. They must also possess the decisive courage to change course abruptly when they make the wrong choice.

Risk Tolerance

A certain amount of risk is inevitable when launching and operating a business venture, so entrepreneurs must be comfortable with high-stakes strategies if they want to achieve high levels of success. However, they will also take extensive measures to offset, mitigate, or avoid risk wherever possible.

Persistence

Entrepreneurs may be generally comfortable assuming risk, but that doesn't mean they accept failure easily. Most successful business owners view unfavorable outcomes as learning opportunities and face each challenge determined to overcome it. But persistence means little if it isn't practiced with intelligence. A wise entrepreneur will ask relevant questions and seek practical solutions from experts to meet obstacles head-on and navigate them strategically.

What Are Entrepreneurial Skills?

You may be unable to change your essential psychology and innate personality traits, but you can still run a company and become a successful entrepreneur if you can hone an effective set of entrepreneurial skills. You may naturally possess any number of these essential skills, but you will probably want to learn, practice, and further develop all of them before starting on your entrepreneurial journey.

Top Skills for Entrepreneurs

Before you can determine which specific entrepreneurial skills you lack, you must take a clear and honest look at your abilities and goals. Because no two entrepreneurs share the exact same abilities and goals, there can be no single, universal, and definitive list of the top skills for entrepreneurs to develop. However, most entrepreneurs generally need to have a combination of skills in each of the three following areas:



Interpersonal Skills

When it comes to achieving high levels of professional success, emotional intelligence (EQ) is every bit as important as industry expertise or general IQ for business leaders and entrepreneurs. By better understanding and connecting with others, you can influence their behavior in positive and constructive ways. This is why entrepreneurs work to develop interpersonal skills such as leadership, collaboration, negotiation, conflict management, and communication skills that include active listening.

- **Speaking** – While you cannot underestimate the value of listening, you will be expected to speak a great deal as a business owner or entrepreneur. In short, if you want to attract essential investors, esteemed partners, and high-quality team members, you must possess exceptional public and one-on-one speaking skills. These skills are also desirable when it comes to attracting and retaining a large and loyal customer base. Even if you don't generally speak directly to the average customer, your speaking ability is key to clearly articulating the company vision, objectives, and identity to craft a unified branding initiative.
- **Team Building** – The first step to effective team building is identifying your own strengths and weaknesses. Wise entrepreneurs can overcome virtually any shortcoming by surrounding themselves with a well-rounded team that strategically supplements and supports them while providing balance to the entrepreneurial venture as a whole. Oftentimes, the entrepreneurial team is considerably more important than the individual entrepreneur when it comes to pushing a successful venture forward.
- **Networking** – Few entrepreneurs will achieve high levels of success without establishing a rather extensive professional network of former and current co-workers, bosses, teachers, mentors, clients, and colleagues. While developing your professional network, you can draw upon leaders in your chosen industry and alumni from educational institutions you have attended. Networking can provide solutions to any number of startup business problems, from building an effective team to obtaining startup funding.

- **Receiving Feedback** – Most successful companies have leaders who are not only willing but eager to receive constructive feedback, whether from internal parties, like employees and consultants, or from external parties, such as clients and investors. While it may not sound like a skill you can “practice,” you can, in fact, learn how to listen to criticism openly and humbly. This places you in a far better position to identify suggestions that might truly benefit your business and then implement them.

Critical and Creative Thinking Skills

Like most interpersonal skills, your ability to think critically and creatively will depend largely on your innate personal characteristics and personality traits. However, critical and creative thinking skills are also very much like interpersonal skills in that they can be sharpened and strengthened through education and training. Closely tied to accurate analysis and innovative thought, the top critical and creative thinking skills for entrepreneurs include:

- **Problem-Solving** – Although entrepreneurship comes with few guarantees, you can rest assured that many problems will inevitably arise along the way. You can structure and enhance your problem-solving processes by using tools such as herringbone diagrams, the “5 Whys” technique coined by Toyota Industries founder Sakichi Toyoda, and engineering professor Peter Checkland’s Soft Systems Methodology.
- **Opportunity Recognition** – An entrepreneur must be able to spot trends and recognize opportunities when they present themselves, then do the necessary planning to take advantage of each opportunity they identify.
- **Growth Mindset** – It is critical to cultivate a growth mindset as an aspiring entrepreneur. While all business leaders must value expansion to succeed, this quality is particularly important to entrepreneurs who are constantly developing new and emerging ventures. A growth mindset is defined by viewing abilities and initiatives as entities that are always capable of improvement. A fixed mindset, by contrast, would view these same entities as fundamentally unchangeable and steadfast over time.

Practical Skills

We have already discussed the supreme importance of decision-making in the entrepreneurial arena. This is a solid practical skill for business owners and entrepreneurs that yields tangible results. More closely related to your “IQ” than your “EQ,” practical skills can center around specific business areas, such as sales, or span these areas with general business abilities, such as multitasking. Other important practical skills for entrepreneurs include:

- **Planning/Organizing** – To achieve your goals as an entrepreneur, you must possess the planning and organizational skills needed to coordinate teams, manage projects, and make financial forecasts. The first step in the creation of any new company is the development of a specific and detailed written business plan.
- **Finance** – Even if you plan to employ a Chief Financial Officer or another finance specialist, a basic understanding of accounting, budgeting, and financial statement analysis is essential for anyone who wants to launch and operate a business. With a firm background in finance, you can avoid overspending and more judiciously allocate your company’s resources.
- **Recognizing Patterns** – Whether you are analyzing market trends or consumer behavior, the ability to recognize patterns in business data is extremely important for the modern-day entrepreneur. Pattern recognition can help you make future projections and identify trends to help you set and reach valuable goals.

How Do Entrepreneurs Develop Their Skills?

From seeking a mentor to joining an industry community, there are many ways to connect with and learn from other entrepreneurs. You can also teach yourself by reading voraciously and attending workshops, conferences, and other events.