

Exploring Eight Types of Entrepreneurship

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THE BUSINESS TRANSITION
— SHERPA —

“One dude in a dorm room to millions of people around the world living their Richest Lives.”



Ramit Sethi, [GrowthLab.com](https://growthlab.com)

Today's agenda

- Domino Strategy
- Types of Entrepreneurship
- Founder-Market Fit
- Q&A

About me

- TPR MBA '99
- Adjunct professor
- 5 corporate, 3 startups
- CEO with an exit
- Certified M&A Advisor
- Podcaster
- Author



THE BUSINESS TRANSITION
— SHERPA —

20%

of new businesses fail during the first **2** years

**If only it was
this easy!**



The power of sequence



"The way to do really **big** things seems to be to start with deceptively **small** things.... Want to make the universal website? Start by building a site for Harvard undergrads to stalk one another."



**Paul Graham, Founder Y
Combinator**

The Domino Strategy

START SMALL

SEQUENCING



"Your job is to find that **front domino**, that number one thing that if you could accomplish, will **knock over the other 98** and get more done than the other 98 combined."



**Verne Harnish, founder
Entrepreneur's Organization**

8 Types of Entrepreneurship

- 1. Small business**
- 2. Large company**
- 3. Scalable startup**
- 4. Social**

- 5. Innovator**
- 6. Hustler**
- 7. Imitator**
- 8. Acquirer**

1. Small Business



Small Businesses < 500 employees

- **30.7 million** small businesses in USA
- Account for **64% of new jobs** created
- **550,000 new small biz** launch monthly
- Create **2 out of 3 new jobs**
- Over **half of Americans own or employed by a small business**

Small Business Entrepreneur

Motivations + Incentives

- Be own boss
- Make a profit that supports their family and modest lifestyle
- High personal risk
- Typically hire local employees and/or family members
- Retail, real estate, trades, services, consultants, professionals

2. Large Company



Corporate Startups + Innovation Teams

- Corporate lifecycle
- Executive sponsorship
- Focused teams
- Incremental to transformative innovation
- Corporate Venture
- Build - Buy - Partner



Amazon Lab126

AMAZON LAB126



Gustavo Lopez
General Manager



Mary Beth Green
Chief Innovation Officer



Corporate Entrepreneur + Intrapreneur

Motivations + Incentives

- Innovators motivated to change the world, fix problems, and/or create new and better things
- Rewarded with increased professional freedom, promotions
- Low to moderate risk
- Financial incentives vary, typically different risk/reward model than a traditional startup

3. Scalable Startup





Microsoft Acquired \$1.2B

“Find an edge, win small victory or foothold, assimilate new resources, level up, repeat.”

- *David Sacks, Founder Yammer*

Scalable Startups

- Look for market needs or problems to solve and create solutions
- Funding from venture capitalists
- Hire specialized employees
- Technology-focused
- Seek rapid expansion and big profit returns



Tope Awotona
CEO + Founder



Don Charlton
Founder



Acquired by PE Firm

Scalable Startup Entrepreneur

Motivations + Incentives

- Achieve vision
- High personal risk
- Get rich, personal financial freedom

4. Social



Social Enterprise

- “Business for good”
- Mission to solve social problems or affect social change
- Combines charitable consciousness with business strategy



Blake Mycoskie
Founder



Leah Lizarondo, Co-Founder
412 Food Rescue



Social Entrepreneur

Motivations + Incentives

- Making a difference is at the heart of being a social entrepreneur
- Care deeply about more than earning a profit

5. Innovator



Bill Gates
Microsoft

Steve Jobs
Apple



Sara Blakely
Spanx

Innovator Entrepreneur

Motivations + Incentives

- Take ideas and turn into business ventures
- Look for ways to stand out from others
- Experiment with the old, explore the new

6. Hustler





Gary "Vee" Vaynerchuk
Vayner Media

Hustler Entrepreneur

Motivations + Incentives

- Self-starter determined to succeed
- Outgoing personality
- Presence exudes confidence
- Sell anything to anyone

7. Imitator



RETAIL



Sam Walton
Wal-Mart

REAL ESTATE



Barbara Corcoran
The Corcoran Group

RESTAURANT



Herman Cain
Godfather's Pizza

Imitator Entrepreneur

Motivations + Incentives

- Find business models and industries with potential
- Learn from past mistakes
- Capitalize on measurable demand and customer base
- Highly determined

8. Acquirer





Chris Cynkar
Franchise Acquisition
Expense Reduction Analysts



Len Caric
Owner Acquisition
George J. Howe Corp.

Acquisition Entrepreneur

Motivations + Incentives

- Buy into proven businesses
- Active in operations
- Focus on expanding market share
- Moderate risk

Founder- Market Fit

How likely are you to
build a thriving
company?



Investors: Align founders with market need

1. Personal experience with problem trying to solve?
2. How long you've been active in the industry?
3. How well do you know its problems?
4. How badly do you want to change the status quo?



Summary

- What's in your entrepreneurial DNA?
- Explore founder-market fit
- Start small. Knock down the dominos!
- Enjoy the journey!

“All **overnight success** takes about **10 years.**”

- Jeff Bezos




Connect with me:



 Succession Stories Podcast

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Q&A