

1.1 I have a business idea ...

FIGURE 1



Well-known entrepreneurs:
Sir Richard Branson, Poppy King,
Mossimo Giannulli

So what is an entrepreneur anyway?

An entrepreneur is someone like you.

Entrepreneurs:

- have great ideas and do something about them
- hunt for opportunities to promote their ideas
- thrive on the challenge of creating their own big breaks
- make money out of solving problems and selling their ideas
- usually start up their own businesses.

How old do you have to be?

Any age! If you have a great idea and the determination to make it happen, you could join this list of young entrepreneurs who enjoy some huge success stories...

- Eagle Boys Pizza was created by a 23 year old from Albury, NSW.
- Dick Smith Electronics was launched by Dick Smith when he was 24 years old.
- Subway sandwiches were the brainchild of 17-year-old US-based Fred DeLuca.
- Rip Curl, an Australian company, was started up in the Australian backyard of surfers Brian Singer and Doug Warbrick.
- Dell Computers was set up when 18-year-old Michael Dell realised it was a lot cheaper to build computers than to buy them ready made.
- Poppy King founded Poppy Industries Pty Ltd at aged 18, after recognising there was a gap in the market for matte lipstick.

Every new **business** starts with an idea. Many of these ideas are original and highly creative — resulting in innovative business ventures. People who develop such ideas are called **entrepreneurs**. For them, the challenge is in creating and implementing the business venture; once it is 'up and running' they will often move on to a new challenge. Entrepreneurs tend to be risk takers; they have to be, because usually they explore untapped markets with no track record of proven **consumer** demand or guaranteed returns. But for those whose ideas translate into a successful business venture, the **profits** are often huge.

FIGURE 2

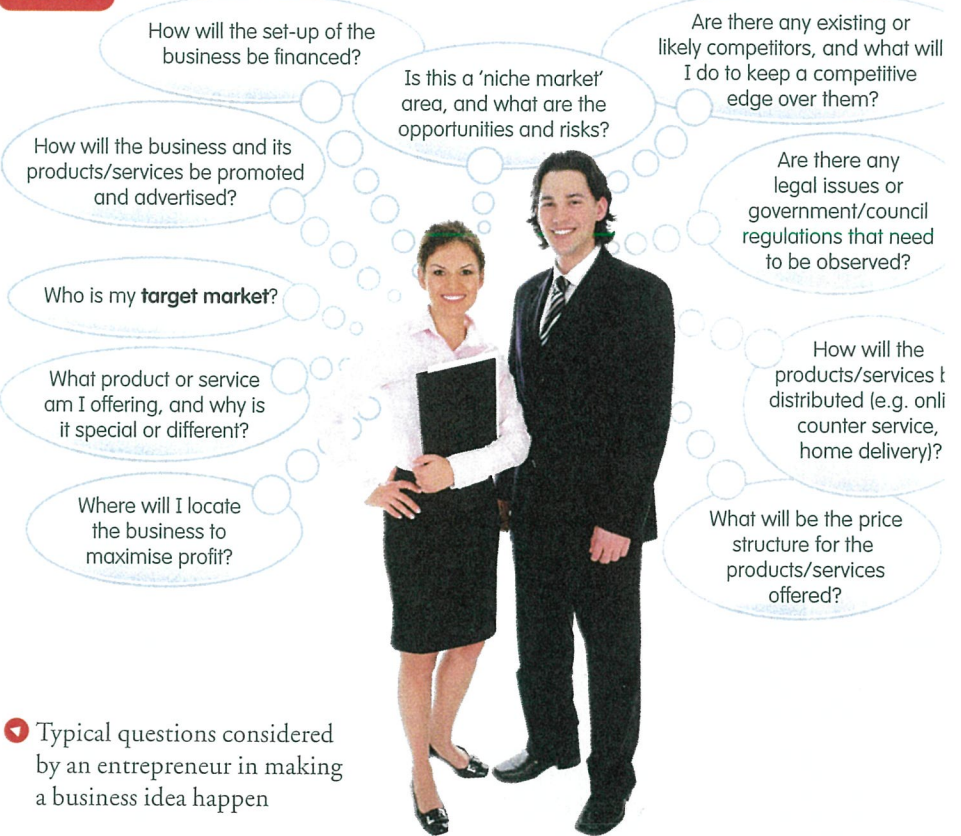
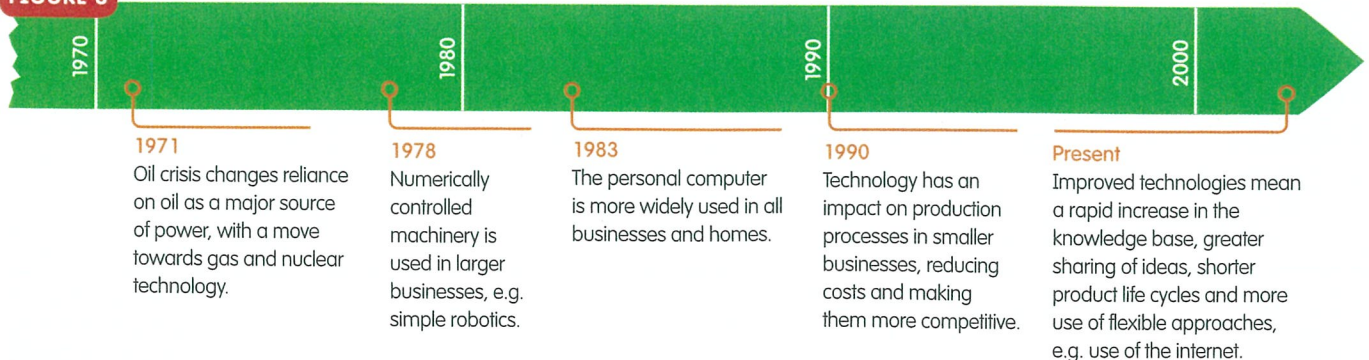


FIGURE 3



Timeline showing the impact of technology on business

Entrepreneurs help to stimulate the **economy** with their innovations (new ideas, products and services). Their new business ventures may fill a gap in the existing market or find a new **niche market** which provides for the needs, wants and demands of consumers. This in turn boosts consumer spending and employment opportunities.

The rapid increase in the use of technology in business has simplified systems, and e-commerce has reduced barriers to the global market. It has had a dramatic impact on the storage and transfer of information, efficiency, cost effectiveness, marketing and, therefore, profits.

FIGURE 4

◀ Steve Jobs, founder of Apple, invented the Mac, iPod and iTunes, and started the company Pixar which made *Toy Story* and other computer-animated movies.



Business legend — Janine Allis, founder and CEO of Boost Juice

2001: Opened first Boost Juice (Adelaide)
 2002: \$1 million annual turnover
 2008: 213 stores and on track for \$100 million annual turnover
 Highest grossing company stores: Sydney and Melbourne airports
 Highest grossing company franchisees: Chadstone and Pacific Fair Shopping Centres
Reason for Boost Juice success
 Janine and her husband Jeff had a great product at the right time.
 'In shopping centres, there was nowhere to get something healthy,' says Janine. 'On a trip to the United States, I studied the

concept of smoothies and juice and took what I liked to develop a new concept in Australia called Boost.' Opening in Adelaide gave the company the opportunity to trial and test and grow quickly.

'We knew that a popular radio station could reach our target market. We had low rents and no one had even heard of juice bars, so it was a great time to test that market. I never had the intention of opening just one store, but you have to open the first one to work out the cost of goods, your wages, expenses and income and work out if you have a viable business.' The key to expansion was strong branding — to attract customers and the best franchisees.

For the first two years of Boost, Janine Allis worked from home trying to maintain a work/life balance with school-age children. 'When the time came to expand with a building program on 15–18 sites, we sold the house and put the money into the business. We're a company where you don't necessarily have to wear a suit or have a degree to be promoted and you can bring your children in when you have them. It's the sort of company where you can have both.'

business a person or organisation that produces goods or buys and sells goods in order to make a profit

consumer a person who purchases goods and services to satisfy needs and wants

economy a system of production, distribution and consumption of goods and services

entrepreneur a manager of a business who sometimes takes business risks in order to produce and make a profit

niche market a market in which a limited and clearly defined range of products is sold to a specific group

profit excess of revenues (money received) over outlays (money spent)

target market a market that a product is deliberately aimed at

Activities



REMEMBER

1 In what ways do the ideas of entrepreneurs benefit an economy?

THINK

- 2 What sort of personality and qualities do you think a successful entrepreneur is likely to have? Suggest why these might be needed.
- 3 What sort of research and preparation do you think an entrepreneur should undertake before starting a new business venture?
- 4 Read the article above carefully and then answer the following questions:
 - (a) Why is Janine Allis an entrepreneur? Has she been successful so far? Explain.
 - (b) What has been Janine's strategy for implementing her business idea?
 - (c) How has Janine promoted her products?
 - (d) If you were Janine's business adviser, what are three tips you would give her for continued business success? Discuss these with a partner.
- 5 Use the Business Ideas Winners weblink in your eBookPLUS to answer the questions below:
 - (a) How did each of the winning entrepreneurs in 2005 come up with new ideas?

(b) Do you think these businesses will be successful? Justify your view.

Student worksheet 1.1

SELF-DISCOVERY

6 Do you think you've 'got what it takes' to be an entrepreneur? Explain, drawing attention to what you see as your strengths and weaknesses for such a career.

DESIGN AND CREATIVITY

7 In small groups, come up with an original business idea. Through discussion, develop a marketing strategy for your business product and/or service. You will need to consider how it will be promoted (e.g. advertising and publicity), distributed (e.g. online or shopfront) and priced (e.g. interest-free loans or 'cheaper than all competitors' promises). Present your marketing concept to the class using a PowerPoint display. Negotiate the task each group member will perform.

ICT

8 Use a search engine to locate information about three young Australian entrepreneurs. Write a brief summary of the business idea which led to their success and report back to the class.