

What does it take to be a millennial entrepreneur?

When asking millennials about where they see themselves career-wise, many will reveal their dream of owning their own businesses.



Karl Westvig, CEO of Retail Capital

According to a 2018 study by Ernst & Young, 58% of Americans who fall in the 20-34 age range see themselves running their own companies. The same counts for countries like China. A survey by JWT Intelligence shows that 74% of close to 400 million Chinese millennials would start their own business if they had trouble finding work.

The situation is not much different in South Africa. According to Deloitte's 2019 Global Millennial Survey, 58% of South African young adults say they want more than working for someone else's company. They want their own business.

The question is: what does it take to be, and remain a successful entrepreneur in the struggling local economy and a global economy that is moving lightning-fast and becoming more competitive by the day?

Karl Westvig, CEO of Retail Capital, a company that provides access to alternative business funding and working capital for small companies, offers ten invaluable tips.

1. Listen to your customers

Just because you would buy your product doesn't mean others would, too. For your company to take off, you will need a sustainable base of customers who are convinced they need, want and deserve whatever it is you are offering. Find out what your audience's needs, which products and services they are buying and which ones they shun, and most importantly - why?

2. Be funding wise

Thirty-eight percent of millennials who responded to Ernst & Young's 2018 Millennial Economy report said a lack of funds is preventing them from starting a business. Fact is that there is money out there. Expand your quest for finance beyond conventional bank loans, explore convenient, flexible funding alternatives.

3. Success is more than profits

Stand out by building a business that positively impacts the environment and drives socio-economic well-being. Responsible and sustainable ventures perform better. A 2014 analysis of S&P 500 companies, for instance, has found that corporations with sustainability strategies have an 18% higher return on investment than those that don't.

4. Put in the time

Starting, running and growing your business is not for the faint-hearted. Don't expect miracles to happen overnight. Your business won't build itself. Work hard, under-promise, over-deliver, keep your promises, promote your company everywhere (not just on social media) and develop a thorough marketing campaign before launching.

5. Plan your funding strategy

Raising funds needs to be a strategy, one which requires you to plan. Prepare for meetings with investors by thinking of every question you might face. Analyse and revise your business plan as you go along.

6. Disrupt, don't be disrupted

The 2019 GEMS report suggests the drive to introduce new products and services that disrupt the market is what is driving entrepreneurs. This means you will have to stay on top of your game at all times. Resting on your laurels after being the first in your field may result in someone else disrupting your model, pushing you out of the market whilst you are not paying attention.

7. Be patient

It is a misconception that you need to scale your business as soon as you can. Whilst there's nothing wrong with growing, explosive growth too soon can be a threat if you can't keep up with the momentum. A study by Startup Genome found that 74% of high-growth start-ups fail due to premature scaling.

8. Budget like a pro

Cash-flow problems happen when you are spending too much, because you are not getting debtors to pay you, or because you are not making money. Draw up and stick to a watertight budget, tracking all your expenses and income, and spend your money wisely to prevent these issues.

9. Take mistakes in your stride

You will make mistakes, and that is okay. Learn from them and use this knowledge to fine-tune your plans to build a stronger, more resilient and financially stable business that can make the difference you want it to make.

10. It's a mindset

At the end of the day, entrepreneurship is a way of life, not just a way to pay the bills. That is at least what 90% of millennial business owners surveyed in oDesk's 2016 Millennials and the Future of Work say. Treat your business as your purpose and raison d'être will make your journey towards success a whole lot easier.

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