Session 5: Types of Businesses

Overview
This session discusses different types of entrepreneurial businesses and the goals and characteristics associated with each type.

Key Points
- Lifestyle business founders work to live their passion.
- Small/family business founders work to make a good living.
- Scalable startup founders work to build something big.
- Buyable startup founders work to solve a problem and then move on.
- Large company startup founders work to maintain or improve their company’s position in the market through innovation.
- Social enterprise founders work to make a difference.
- Different types of new business vary in terms of their business feasibility and growth potential.
- High feasibility businesses tend to be low in growth potential; high growth potential businesses tend to be low in feasibility.

Discussion Questions
1. Why would someone go through all the hard work of starting and operating a small business if there is no billion dollar pay-off in going public or getting acquired by a large company?
2. What can go wrong if you are not clear about the type of business you are trying to start?

Additional Resources
Steve Blank on Types of Businesses

Possible Assignments
1. Investigate a recent acquisition made by Google, Yahoo, Facebook, or Apple. Describe what benefit the smaller company brings to the larger company.
2. Interview a founder of a lifestyle business and a small business owner to find out the similarities and differences in their motivations and priorities.