

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.