



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](#)
- [The New Heroes](#)
- [Wicked Start on Finding Business Ideas](#)
- [Think Different](#)

- 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.