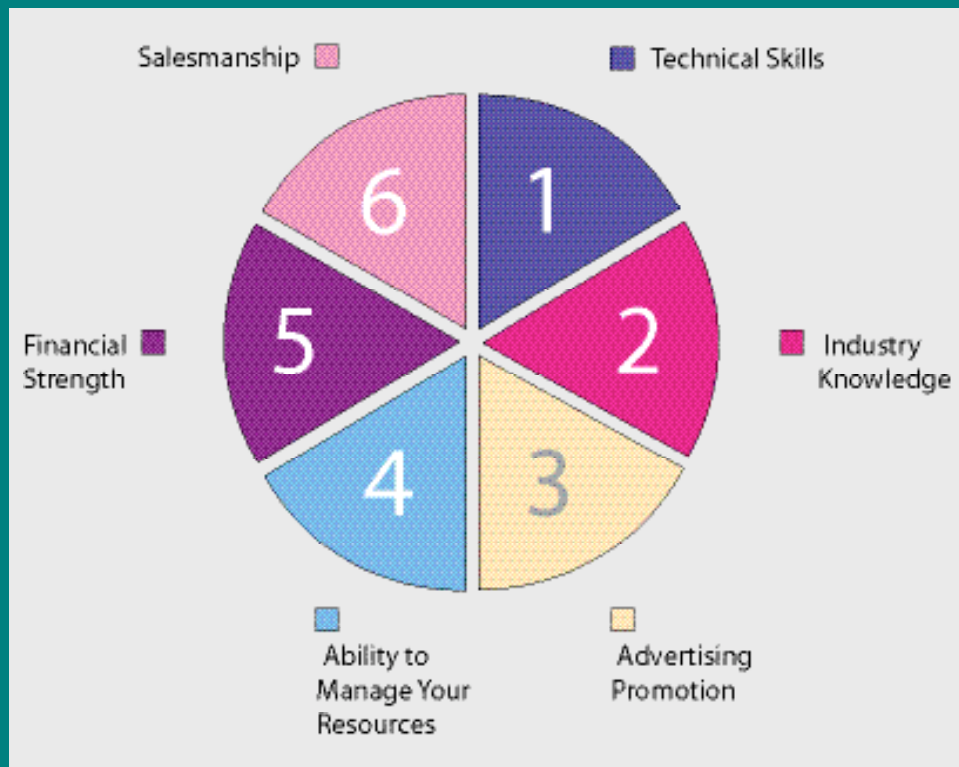


# Center for Entrepreneurship Assessment



 **Northeast**  
Wisconsin Technical College

# Overview

In the course of their days, entrepreneurs must wear countless business-related hats. The above assessment tool identifies six primary “hats” that must be worn well to insure success. There are probably more, but from our experience, these seem to be primary.

This is really a guided self-assessment. As entrepreneurship counselors, we probe into each of these areas with the client, and attempt to gain a sense that their self assessment is accurate and realistic. When and if their responses seem incongruous with our own perceptions, we probe further.

Each item is rated on a 1 to 17 scale. Think of it in terms of a continuum that looks like this:

1      2      3      4      5      6      7      8      9      10      11      12      13      14      15      16      17  
(Knows almost nothing)      (Not comfortable)      (About average)      (Comfortable)      (Mastery)

By the end of the assessment, we’ll have a self-prescribed score for each of the above skill areas. We total these scores and add a percent sign.



## In-depth Information: (continued)

**1. Technical Skills:** In this section of the assessment we seek to determine the level of sophistication with regard to the technology, the hands on skills associated with the business.

For example, the client wants to open a bakery in their home to make cakes and cookies.

- a. Score them 1 – 4 if they tell you that they like chocolate chip cookies with milk before bed.
- b. Score them 5 – 8 if they tell you that they've gotten praise from family and friends whenever they bring out their last batch of macaroons.
- c. Score them 9 – 11 if they tell you that they entered the County Fair and won a blue ribbon for their Peanut butter Sandies; that they've taken baking classes, have hundreds of recipes and have frequent bake sale requests.
- d. Score them 12 – 14 if they tell you that they worked part time in a bakery and have some knowledge of baking commercially in large batches, know something of mixing ingredients, ovens, and the technology of baking.
- e. Score them 15 – 17 if they tell you that they've worked in a bakery for several years and served as the manager of operations, including scheduling, purchasing, marketing, sales and staffing.

**2. Industry Knowledge:** In this section we seek to learn about their level of research as to trends and the competition. We want to know the degree to which they've considered who's successful in this market, and what makes them successful. We want to know the degree to which they've thought about who has failed in this business and why they failed. We want to see if they've given thought to their target market, their niche and about what their unique value proposition will be. If they were into hockey, this issue wants to measure the degree to which they've considered not where the puck is, but where it is going to be.



## In-depth Information: (continued)

**3. Advertising, Promotion and Public Relations:** Promoting one's business looks easy, and most people think that they are very smart when it comes to advertising. But because it looks easy makes it all the more challenging, because most people will spend way too much on advertising, and get nearly nothing for their efforts (and their expenses). Most have not budgeted for advertising and promotion. Mostly we see \$500 earmarked for "marketing." That might cover the cost of business cards – but that's about it. We say there are three things all businesses must do to be successful in the early stages: promotion, promotion, and promotion. If they indicate that their marketing strategy is to grow their business by word of mouth, I give them a 4 on a 1 – 17. With regard to marketing, there are three problematic issues:

- a. How will the business flourish when family and friends stop coming around?
- b. How will they know what media they should invest in to help promote the business? Should it be yellow pages? How about newspaper? How about outdoor (billboards)? How about radio? How about television?
- c. Advertising unwisely and without experience is almost always the largest single source of "leakage" in any business. Money just pours out, and nothing comes back in.

**4. Ability to Manage Their Resources:** In this section we seek to assess their ability to be self-disciplined. When they run a home based business, or are self employed, it takes a tremendous amount of self-discipline, and most are not practiced in this art. Many are totally undisciplined. Essential is their ability to manage such essentials as time, themselves, their home office, their money, their accounts, and their territory, among other things.

**5. Financial Strength:** In this section we seek to assess two aspects of their financial strength.

- a. One has to do with understanding of simple business budgeting, including fixed and variable expenses; pricing strategies that cover their costs (including their own time) and yet have market potential; how to determine what "break even" is, and developing a realistic pro forma.
- b. The other issue this section addresses is financial resources. Does this client have some source of financial resources? Is there equity in a home? Are there family or friends who might help this individual by investing in their success? Is there money in checking or saving? Is there some cash that can be used as a hedge against not having immediate sales. This is important because the reality of most start-ups is that it takes a while for the pump to produce water – even after a lot of pumping.



## In-depth Information: (continued)

**6. Salesmanship:** In this section we look to assess the client's ability to sell. Partly this is a subjective thing – as with an outgoing personality. But what we've learned is that most entrepreneurs cannot exist long without some level of sales. They'll be using sales skills every day; to negotiate vendors, suppliers, landlords, customers, family, bankers, and more. The better they are at sales, the luckier they get.

**Conclusion:** As stated earlier, scores collected for each of the six areas of expertise and experience are added together. The sum is turned into a percent. For example, Robert's scores in guided self-assessment look like this:

1. Technical Skills:	14
2. Industry Knowledge:	9
3. Advertising:	8
4. Managing the Resources:	12
5. Financial Strength:	5
6. Salesmanship:	14
	62%

This indicates that Robert is going into this venture at 62% ready - which doesn't make any of us feel warm and fuzzy about lending our support to such a venture. But the assessment process gives your client an understanding in clear terms why feasibility and business preparation training is vitally important.

Through the years as we have given this assessment to clients, 62% is about average. We are not discouraged by this. The training and preparation we provide our clients helps dramatically to raise their confidence, their preparation and reduces their risk as a small business owner or entrepreneur.

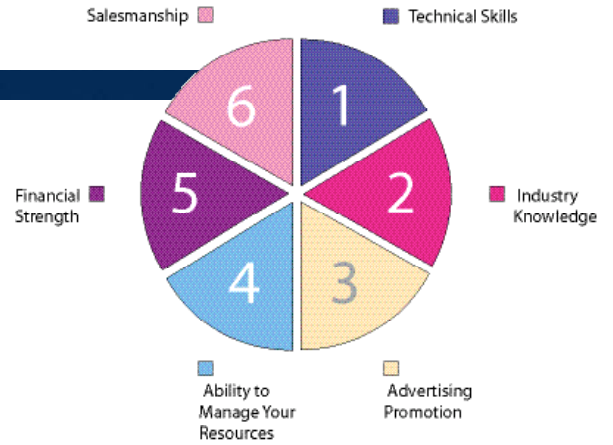
We suggest a pre and post class assessment be conducted with each participant to demonstrate growth and preparation in these six important areas.

Cost: NWTC's Center for Entrepreneurship charges \$131.00 for administering this assessment and for the summary report of our findings.



# NWTC's Center for Entrepreneurship Guided Self-Assessment for Entrepreneurship Readiness

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 E-mail: \_\_\_\_\_  
 Date: \_\_\_\_\_



1. Technical Skills:  
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17  
 (Knows almost nothing) (Not comfortable) (About average) (Comfortable) (Mastery)  
 Special Notes: \_\_\_\_\_

2. Industry Knowledge:  
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17  
 (Knows almost nothing) (Not comfortable) (About average) (Comfortable) (Mastery)  
 Special Notes: \_\_\_\_\_

3. Advertising, Promotion and Public Relations:  
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17  
 (Knows almost nothing) (Not comfortable) (About average) (Comfortable) (Mastery)  
 Special Notes: \_\_\_\_\_

4. Ability to Manage your Resources:  
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17  
 (Knows almost nothing) (Not comfortable) (About average) (Comfortable) (Mastery)  
 Special Notes: \_\_\_\_\_

5. Financial Strength:  
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17  
 (Knows almost nothing) (Not comfortable) (About average) (Comfortable) (Mastery)  
 Special Notes: \_\_\_\_\_

6. Salesmanship:  
 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17  
 (Knows almost nothing) (Not comfortable) (About average) (Comfortable) (Mastery)  
 Special Notes: \_\_\_\_\_

	Total
1. Technical Skills	
2. Industry Knowledge	
3. Advertising, Promotion	
4. Management	
5. Financial Strength	
6. Salesmanship	

Assessment Administrator:

\_\_\_\_\_  
 \_\_\_\_\_



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