

Interviewing an Entrepreneur

If entrepreunering is new to you—you have not really known or worked with any entrepreneurs—then you will find it helpful to get to know at least one. Some questions and guidelines are given below for conducting an interview with a successful entrepreneur. A useful criterion is someone who has started a company within the past five years, which now exceeds \$1 million in sales and is profitable. (Someone whose company is not profitable may give you some of the wrong lessons, or only rationalizations.)

The specific purpose for your interview with an entrepreneur is to gain information and insight about the entrepreneur's reasons, strategies, approaches and motivations for starting and owning a business, so as to help you sharpen your own ideas about whq entrepreneur is and what he or she does. The more general purpose is to give you practice in using the interviewing process as a way to gather information and impressions about an unfamiliar topic.

You will learn more if you act more like an interested listener and less like a participant in "Twenty Questions." Jotting down direct quotes as evidence of motivations or reasons is more effective when you go back over your notes than statements such as "highly motivated individual." In other words, learn as many specifics as you can.

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If you and the interviewee are *both* comfortable using a small tape recorder, this can be of great help to later. However, taping interviews often creates more trouble than it solves, so you will have to feel your way and follow your instincts on this matter.

Information-gathering through interviewing is a valuable skill for entrepreneurs to have, since they can learn in a short time by talking to others. Your preparation should include the following steps:

- Define the purpose of the interview.
- Identify specific questions you would like to have answered, as well as general areas of information you would like to know more about. The combination of closed-end questions (How did you get the idea for your venture?) and open-ended ones (Could you tell me about...?) will help to focus the interview, yet will allow for unexpected comments and insights.
- Approach the person or persons you have selected to make an appointment to see them, at their convenience. Explain why you want to see them, and set a realistic date on how much time you will need.
- Be prepared to listen, as well as to ask.

After the interview has been completed, you have several more important steps to take:

- Write the interviewee a note to thank him or her for his or her time. This is more than a courtesy; it will also help the interviewee to remember you favorably. If you want to maintain contact that person again.

- Evaluate the interview. Write down the information in some form that will be helpful to you later on. Make a note of what you didn't find out, as well as what you did learn.

There is no one "right way" to structure an interview. The one suggested here has several merits, however. It is easy to use because it is chronological. And it has been tested successfully on many occasions.

It is suggested that you ask three open-ended questions, each of which assumes a number of closed-end questions, which you can ask directly if the entrepreneur does not supply the information as he is telling his story.

1. Would you tell me about yourself before you started your venture?

- Did you have entrepreneurial parents, relatives or close friends?
 - Who were your role models?
 - What is your education/military experience? In hindsight, was it helpful?
 - What was your previous work experience? Was it helpful?
 - In particular, do you have sales or marketing experience? How important was it to starting your company?
2. How did you start your venture?
- How did you spot the opportunity?
 - What were your goals?
 - How did you evaluate the opportunity in terms of the critical elements for success? The competition? The market?
 - Did you find or have partners? What kind of planning did you do? What kind of financing?

- Did you write a start-up business plan of any kind? Tell me about it.
 - How much time did it take from the conception to the first day of business? How many hours a day did you spend working on it?
 - How much capital did it take? How long did it take to reach a positive cash flow and breakeven sales volume? Tell me about the pressures and crises during that early survival period.
 - What outside help did you get from experienced advisors? Lawyers? Accountants? Tax experts? Patent lawyers?
 - What was your family situation at the time?
 - What did you perceive to be your own strengths? Weaknesses?
 - What did you perceive to be the strengths of your venture? Weaknesses?
3. Once you got going, what happened then?
- What were the most difficult gaps to fill and problems to solve as you began to grow rapidly?
 - When you looked for key people as partners, advisors or managers, were there any personal attributes or attitudes you were especially seeking because you knew they would fit with you, and were important to success? Were (or are) there any attributes among partners and advisors that you would definitely try to avoid?
 - Have things become more predictable?
 - Do you spend more, the same or less time with your business now than in the early years?
 - Do you now feel more managerial and less entrepreneurial?
 - In terms of the future, do you plan to harvest? To maintain? To expand?

- When do you plan to retire?
- Have you met your goals? Have they changed?
- Has your family situation changed?

In conclusion, here are some questions which some entrepreneurs enjoy talking about:

- What do you consider your most valuable asset—the thing that enabled you to “make it”?
- If you had it to do over again, would you? In the same way? Would you do anything differently?
- Looking back, what do you feel are the most critical experiences, skills, attitudes and know-how you needed to get your company started and grown to where it is today? What about five years from now? To what extent can any of these be learned?
- Some people say there is a lot of stress being an entrepreneur. What have you experienced? How would you say it compares with other “hot seat” jobs, such as the head of a big company, or a partner in a large law, consulting or accounting firm?
- What are the things you find personally rewarding and satisfying as an entrepreneur? What have been the rewards, risks and trade-offs?
- Who should try to be an entrepreneur? Can you give me any ideas there?
- What advice would you give an aspiring entrepreneur?

The Entrepreneurial Manager

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As a venture accelerates and grows, the key to sustaining growth, and realizing eventual harvest, is developing competencies to manage that growth. Evidence suggests that most new ventures that flourish beyond survival are headed by an entrepreneur who is also an effective entrepreneurial manager. For instance, an INC. magazine survey of the heads of the top 100 ventures showed that the majority of their founders were still the CEOs several years later when they had attained sales of \$10 million, \$25 million, even \$50 million or more.

These and other data seem to defy previous notions that entrepreneurs can start but cannot manage fast-growing, innovative companies. The truth is probably somewhere in between. But one thing is apparent: The competencies and skills required for a vibrant, growing, entrepreneurial company cannot be primarily administrative efficiency, emphasis on maintenance, resource ownership and institutional formalization. To grow a new venture that continues to innovate and exert a competitive edge calls for the managerial skills to cope effectively with a high level of change, chaos and uncertainty.¹

¹ For another useful view of the stages of development of a firm and the required management capabilities, see Carroll V. Kroegeer, “Management Development and the Small Firm,” *California Management Review*, vol. 17, no. 1 (Fall 1974), pp. 41-47.