



What is the DNA of an Alberta entrepreneur?

Our province is one of the most entrepreneurial places in the world. That's why this edition of the ATB Business Beat explores what Alberta entrepreneurs are made of. Of the businesses owners we surveyed, 88% classify themselves as entrepreneurs. So what does that mean? What characteristics do they have in common? What traits do they need to be successful? Do women entrepreneurs differ from their male counterparts? What motivated them to take this path in the first place? And is entrepreneurship something you are born with or is it a learned behaviour?

We also ask our regular questions on whether or not Alberta small and mid-sized businesses (SMEs) believe the Alberta economy, and their business, will be better off, the same or worse six months from now.

THE ESSENCE OF AN ALBERTA ENTREPRENEUR

The Alberta SMEs we surveyed agreed or strongly agreed with the following statements, suggesting it takes courage, passion, a tenacious nature and a willingness to take risks to be an entrepreneur.

“ TO BE AN ENTREPRENEUR IS TO HAVE A VISION, AND PUT IN THE HOURS AND THE WORK TO MAKE IT HAPPEN, AND NOT GIVE UP. ”

– Chief Executive Officer, Arts/Entertainment/Recreation
5 years in business, 1-4 employees, less than \$250,000 in revenues

“ I THINK IT TAKES TENACITY, DETERMINATION, FAITH IN ONE'S SKILLS, FAITH IN THE ABILITY TO ATTRACT GOOD EMPLOYEES. I AM TENACIOUS AND I AM VERY OPTIMISTIC AND VERY, VERY HARD WORKING, AND SOMEWHAT OF A VISIONARY. I DON'T THINK YOU NEED TO BE ABLE TO SEE THE FUTURE, BUT YOU DO HAVE TO BE A VISIONARY AND BE GOAL-ORIENTATED. ”

– Owner Operator, Accomodation/Food Services/Hospitality
38 years in business, 50-99 employees, \$3 million to less than \$5 million in revenues

97% ARE PASSIONATE ABOUT THEIR BUSINESS

95% SAY IT TAKES COURAGE

89% BELIEVE ALBERTA HAS AN ENTREPRENEURIAL SPIRIT

86% ARE TENACIOUS

79% SURROUND THEMSELVES WITH EXPERTS

78% SEE BUSINESS OPPORTUNITIES OTHERS HAVE MISSED

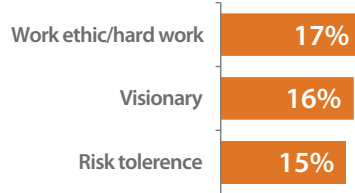
75% ARE RISK TAKERS

75% ARE CONSTANTLY INNOVATING

75% BELIEVE THEY HAVE BEEN LUCKY IN BUSINESS

TRAITS AND CHARACTERISTICS

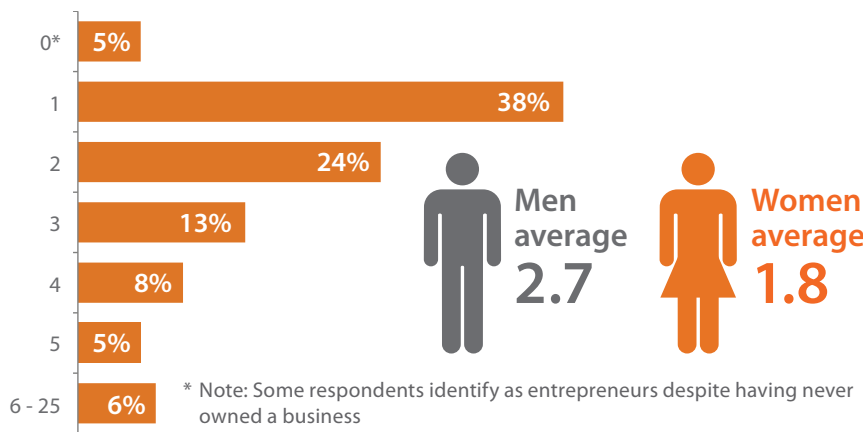
What are the top three traits an entrepreneur needs to be successful?



We asked SMEs to put in their own words what it means to be an entrepreneur. As you can imagine, the responses were wide and varied, but two things stuck out: being a risk taker (29%) and the ability to identify opportunities/needs (24%).

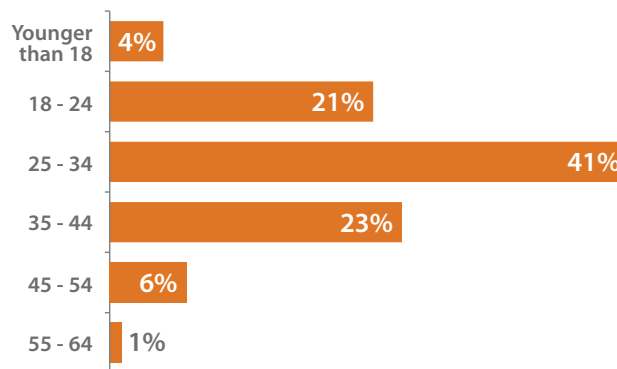
Not all entrepreneurs started out that way. Only two in 10 (19%) have always run their own business, while 80% transitioned from being an employee. Once they had a taste for it, it seems to be in their blood. On average, the entrepreneurs/business owners we surveyed have owned 2.4 businesses so far—and they wouldn't have it any other way. Almost nine in 10 (89%) say if they had to do it all over again they would still choose to own their own business.

Including your current business, how many businesses have you started or owned?



One quarter of entrepreneurs started their business before they were 25 years of age, while more than four in 10 (41%) were between 25 and 34. There is an interesting gender distinction. Men tend to take on ownership earlier than women.

How old were you when you started or took on ownership of your first business?



What it means to them

“ TAKING RISKS AND LOOKING OUTSIDE THE BOX, IT IS DEFINITELY NOT FOR EVERYBODY. IF YOU ARE SOMEONE WHO LIKES TO KNOW WHERE THEY WILL BE IN A YEAR FROM NOW THIS IS CERTAINLY NOT FOR YOU. ”

– Owner/Operator, Wholesale Trade

14 years in business, 5-19 employees, \$1 million to less than \$3 million in revenues

“ TO FIND YOUR NICHE AND FILL IT IN A WAY THAT IS ALL YOUR OWN. IF YOU'RE AN ENTREPRENEUR THEN YOU KIND OF HAVE A VISION THAT MAYBE SOMEBODY ELSE DOESN'T AND YOU PERSEVERE TO SEEING IT TO FRUITION. ”

– General Manager, Retail Trade

10 years in business, 1 employee, \$250,000 to less than \$500,000 in revenues

“ YOU NEED A WILLINGNESS TO DO WHATEVER IT TAKES, BE ABLE TO RECOGNIZE YOUR STRENGTHS AND WEAKNESSES, AND FIND SUPPORT AND RESOURCES IN OVERCOMING YOUR WEAKNESSES. ”

– Managing Director, Employment Counselling

19 years in business, 5-19 employees, \$500,000 to less than \$1 million in revenues

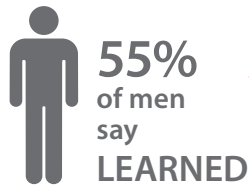
“ YOU HAVE TO WORK WELL WITH YOUR BANKERS AND YOU HAVE TO FUND YOUR DREAM, AND BE CREATIVE IN THAT RESPECT SOMETIMES. YOU HAVE TO BE ABLE TO READ THE ECONOMIC CLIMATE AT THE TIME. ”

– Owner/Operator

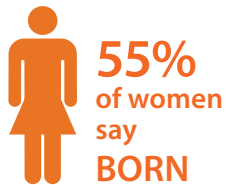
12 years in business, 1-4 employees, \$500,000 to less than \$1 million in revenues

NATURE OR NURTURE?

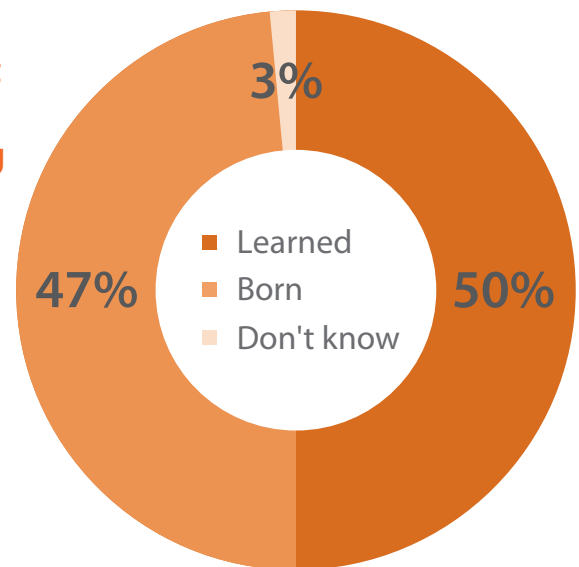
We asked, "Do you think the entrepreneurial spirit is something that is learned or you are born with?" Interestingly, Alberta SME's are almost split right down the middle. However, more women than men, and the younger demographic, believe the entrepreneurial spirit is something you're born with.



VS



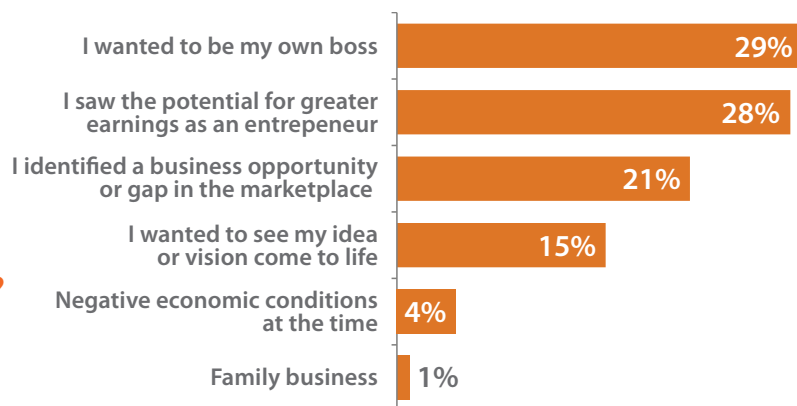
Do you think that the entrepreneurial spirit is something that is learned or something that some people are born with?



60% who took ownership of their business before 25 say born

WHAT MOTIVATED YOU IN THE FIRST PLACE?

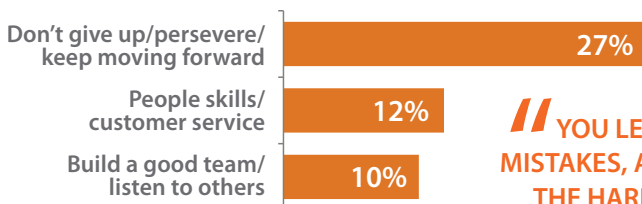
Which of the following most strongly motivated you to become an entrepreneur/business owner?



More men (32%) than women (20%) cited earning potential as their biggest motivator. Women's top response was identifying a gap or opportunity—30% versus 18% of men. Half of franchise owners (50%) said being their own boss was their biggest motivator.

THE MOST VALUABLE LESSONS LEARNED

What is the most valuable lesson you've learned from your experience as an entrepreneur/business owner?



Here is where tenacity and a 'don't quit' attitude come into play. More than one quarter (27%) of SMEs said that the need to keep at it to be successful is the best lesson they have learned.

“ YOU LEARN FROM YOUR MISTAKES, AND YOU LEARN THAT THE HARDEST LESSONS ARE LEARNED BY THE THINGS THAT HAVE GONE WRONG, NOT THE THINGS THAT HAVE GONE RIGHT. ”

– General Manager
25 years in business, 20-49 employees, \$3 million to less than \$5 million in revenues

“ THE ABILITY TO PICK YOURSELF UP AFTER YOU FAIL AND TRY, TRY AGAIN. ”

– Senior Manager, Energy
50 years in business, 20-49 employees, \$1 million to less than \$3 million in revenues

“ LISTENING TO COLLEAGUES, YOUR SUPERIORS, YOUR EMPLOYEES, AND YOUR CUSTOMERS AS TO THEIR NEEDS AND DESIRES. ”

– General Manager, Retail Trade
14 years in business, 5-19 employees, \$1 million to less than \$3 million in revenues

ADMIRATIONS

We asked if there is a public figure that exemplifies the qualities of an entrepreneur. The usual suspects were identified—Steve Jobs, Bill Gates, Elon Musk, Richard Branson—and the name Donald Trump came up often, likely because of his current omnipresence in the American media. Even our own Dave Mowat (ATB's president & CEO) was mentioned.

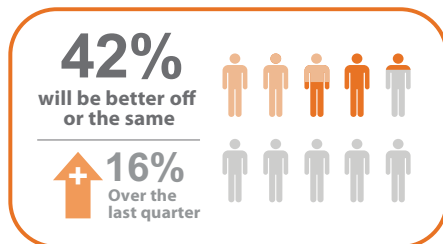
Though they were asked to identify a public figure, many SMEs identified someone known to them instead of someone famous. It says a lot about the importance of having mentors and personal contacts as influencers.

“MY FATHER, HE WAS A SELF-MADE MAN. WHATEVER HE WENT FOR, HE WENT ALL OUT. THAT IS THE BACKBONE OF THIS COUNTRY.”

– Owner/ Operator, Automotive
9 years in business, 5-19 employees,
\$1 million to less than \$3 million in revenues

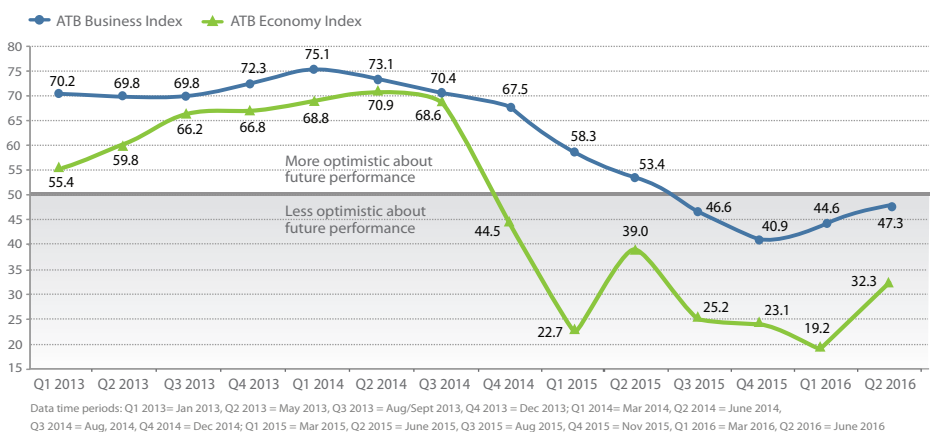
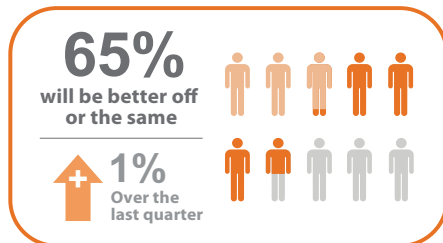
ATB BUSINESS BEAT INDEXES

Alberta Economy



There is a spark of optimism around the percentage of SMEs who say the Alberta economy will be better off six months from now—growing from 12% last quarter to 23% this time. While the overall optimism continues to be low, the improved positivity is encouraging. Who is feeling more optimistic? When broken down by industry, the retail and energy sectors seem to be leading the improved outlook. Energy moved from 16% to 23% and Retail more than doubled from 11% to 23%. Sentiment regarding how SMEs will be six months from now remains flat with only a one percent increase from last quarter.

Your Company



% better off % the same % worse

ABOUT THIS REPORT

For more information on this report or the next ATB Business Beat, please email businessbeat@atb.com or visit atb.com/businessbeat to be put on the mail list.

About ATB Financial

ATB Financial (atb.com) is the largest Alberta-based financial institution, with assets of \$43.1 billion. ATB offers retail financial services, business and agricultural financial services, corporate financial services and investor services to more than 710,000 Albertans and Alberta-based businesses in 244 communities in our province.

ATB Business and Agriculture provides services to Alberta's small and mid-sized businesses, farmers and other agriculture customers.



To find out how ATB Financial can help your business grow, please contact: Wellington Holbrook, Executive Vice-President, Business & Agriculture, ATB Financial at askwellington@atb.com

About NRG Research Group

NRG Research Group (www.nrgresearchgroup.com) is a leading Canadian public affairs and market research company with offices in Calgary, Vancouver, and Winnipeg.

Who did we talk to?

These findings are from an ATB Business telephone survey conducted during May 9-20, 2016 with 300 randomly selected Alberta SME owners/operators.

Study exclusions: agriculture (farms or ranches), government, financial institutions and large businesses (500+ employees).

Business size definitions: small (0 to 49 full-time employees) and medium-sized (50 to 499 full-time employees).