What Do Entrepreneurs Do All Day?: Crash Course Business Entrepreneurship #8

Crash Course: Business - Entrepreneurship
https://youtube.com/watch?v=8bu1Ltpeiu4
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What do entrepreneurs do all day?

I'm not joking. What are we actually supposed to do all day?

When someone says they're "studying business" or they "work in business," they could mean so many different things. They could be in marketing, sales, finance or human resources. So much goes into keeping a company running smoothly.

As entrepreneurs, we probably stumbled into business -- we were passionate about an idea or saw a problem we wanted to solve that developed into a business. Or maybe our side hustle got so big it turned into our main hustle. So here's a secret: as entrepreneurs, we have to do all those business-y jobs.

Yes marketing, yes sales, yes finance, yes HR. You may be concocting the perfect blend of spices for artisanal pickles, but you still have to complete payroll. You may love being outside planting flowers and sculpting shrubs, but you still have to market your landscape business.

You may draw a daily web-comic, but you still have to make sure the tech is running smoothly and your website design is on point. There's so much to do! But to help us prioritize, we need to figure out what tasks we need to do to deliver value to our customers -- called key activities -- and what stuff we need to get it all done -- called key resources.

Don't worry, we've got this. I'm Anna Akana, and this is Crash Course Business: Entrepreneurship. [Theme Music Plays] Our idea is the core of our business, but so much more goes into operating a business day-to-day. In our value proposition, we wrote down why customers should choose us over the competition -- our competitive advantage, if you will.

All of the tasks we absolutely need to do to keep our business going and maintain that competitive advantage are what we call our key activities. So yeah, if you teach ukulele lessons, playing the ukulele is one of your key activities. But let's not forget about all the less sexy stuff that you -- or your staff if you have one -- are doing every day.

Maybe it's putting up flyers advertising your fun music curriculum. Maybe it's making and posting how-to videos on YouTube. Maybe it's offering free trial lessons at the public library.

Or maybe it's just driving from client to client. Or biking, scooting, uni-cycling... you do you. For IKEA, they need to design new 1000-piece puzzles -- I mean… furniture -- that people will want in their homes.

But they also need to source materials that are high quality but low cost to keep prices down, keep their stores stocked, manage any shipments, maintain their website, and update social media to show off those meatballs and communicate with customers. When we're just getting started, figuring out what's essential to our business keeps us focused, helps us develop strategies to make better decisions down the road, and potentially saves us a lot of time and money fixing a big mistake. Planning minimizes surprises.

And I don't mean a "found 20 bucks in your pants pocket" surprise, but "the website went down and customers can't make orders" surprise. Not to mention, I just feel wayyy more confident when I'm well prepared. So what do I really do all day?

For me, one of my key activities is writing. YouTube videos, TV pilots, songs, books -- I do a lot of writing! But when I put that down on my business plan outline, like the Business Model Canvas in the Key Activities section, I'm not going to spell out exactly how long I'm going to write each day or get into specific word counts.

Think big picture to start and keep it simple. You don't need every logistical piece entirely mapped out! And remember, we're focusing on the activities that are absolutely crucial to delivering our value proposition.

If I listed out every single thing I do in a day, we'd be here for a while. So I'm not going to put down "feed cats," even though they might be hungry, because that's not directly helping me deliver value to my audience. Or is it?

To really make sure we've covered our bases when making a list of key activities, we can ask some precise questions. One, if you have a product, what are the necessary steps to produce it? Two, if you have a service, what are you offering customers and what do you have to do in order to provide it?

Three, how are you sharing updates and information with customers, or how are they getting your offering? Four, what's most important to creating revenue? -- Do you sell products in stores? Source materials to make your products?

Create bundles of services to sell? And finally, what activities do you find yourself doing every day? So we do amazing things that provide value for our customers, but all that doing usually relies on having stuff.

In business speak, the stuff we need to accomplish our key activities are known as our key resources. If we don't outline our key resources, we might get caught unprepared or not be able to perform one of our key activities. Knowing /what/ is just as important as knowing how!

If you're selling merch online, what online store system are you going to use? Amazon? Shopify?

Instagram? Etsy? Will you need software to record the sales so you're ready for tax season?

Will you need storage for the merch in your basement? Will you need shipping materials to send packages? Will you need employees to help you operate all of this?

There's a lot to consider, so let's break key resources up into four loose categories. ***First, there are physical resources for business activities like manufacturing equipment, buildings for employees, warehouses to make and store products, vehicles, cash registers or credit card machines, and distribution networks. For example, Amazon relies heavily on their warehouses -- both for data storage and product storage. They also need all the equipment to create their original products, the buildings that their employees work in, as well as the locations of the 11 physical Amazon Go stores that exist as of 2019. ***Next, Intellectual Property covers various ideas that can be patented or copyrighted, which includes specific branding, proprietary knowledge, partnerships, and customer databases.

IP resources are tough to develop because it takes creativity to come up with a completely unique idea or design. But then you have something no one else has, or they have to pay you to use it -- and if they don't, it could be illegal and it's definitely unethical. So… don't steal!

Intellectual Property is an incredible competitive advantage that helps us stand out. When I say the word Nike, what springs to mind? [I'm just guessing, but probably not the Greek goddess of victory...] The "swoosh" and "Just Do It" are everywhere in the athletic world. Nike relies heavily on their brand, plus patented technologies for things like textiles and shoes, to draw in

customers. ***Now, both of these kinds of resources don't magically create or operate themselves. [This isn't Fantasia.

There aren't any magic brooms.] Often we have tasks that only some people can handle because they involve specialized knowledge. These human resources -- or people with specific skill sets -- pop-up all over different industries. More people probably know how to swing a hammer than weld.

Laika Studios creates stop-motion films like Coraline or the Corpse Bride, which are notoriously time-intensive and have thousands of moving parts. The handmade puppets and character designs depend on a bunch of humans: painters, sculptors, screenwriters, film editors and more to tell these stories. ***And, lastly, key activities and resources aren't free, and might not even be cheap. So we need financial resources. ***For example, an aspiring photographer might save up cash to purchase high-quality equipment and launch their independent photography business. ***A local retail company may opt for a line of credit in order to manage the ebb and flow of their patrons. ***And a tech startup might tempt talented programmers into working for them by offering them stock options as part of their contract, kind of like a financial bonus.

We can think about any business and do some detective work to guess how they might put all these key activities and resources together. So let's go to the Thought Bubble and take a look at one example. Maybe you've heard of SquareSpace, the website building and hosting company.

So… besides what you've heard in ad reads... what do they do exactly as a business? From the About section of the SquareSpace website, we can find their value proposition: Basically, their main key activity is providing the technology to help people make and host websites. And part of their competitive advantage is that they offer customizable themes and templates that hopefully help people make websites that look good.

They also provide digital storage and backups for all their sites, and they use marketing and advertising -- like paying YouTubers -- to tell potential customers about their services. Now to accomplish these key activities, they need key resources. Physically, they need buildings for their employees and servers for data storage and website hosting.

And part of their intellectual property is all the website templates that they provide users. Human-wise they need programmers, graphic designers, marketers, customer service reps, and people forging key partnerships [like with exciting personalities like, ahem, me]. And all of this requires money or financial resources.

SquareSpace raised private cash to get started and then got more funding from investors to grow rapidly in the easy-to-use web design market. All these key activities and resources align with their value proposition. So any business, including our own, should take a similar approach and make sure to stay focused on what's essential!

Thanks, Thought Bubble! Focused businesses, where all key activities and resources go into achieving the value proposition, have clearer pathways to success. Ultimately the bottom line is: What do you do, and what do you need to do it?

Next time, we'll continue diving into the Business Model Canvas sections by identifying all the people and businesses /outside/ your company that can help you thrive. Thanks for watching Crash Course Business which is sponsored by Google. And thanks to Thought Cafe for the beautiful graphics.

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