Entrepreneurship Explorations: Four Challenges Young Entrepreneurs Face

Last weekend, I was thinking about all the challenges I am going to face as an entrepreneur... There will be many! So I decided to compile a list including the four main ones I struggled with. There are many more challenges I can see coming, but I didn’t want to overwhelm you or make you feel discouraged. I do like to be prepared. I think that knowing and thinking about these challenges is much better than being surprised by them later. (Even though you and I will always face many surprises in entrepreneurship, regardless of how much we prepare.)

1. Financing
One of the most obvious challenges many entrepreneurs face, and one I have been thinking about, is financing. You will need some money to start your business, that’s for sure. There are many different ways you can finance your business and different options are better for different businesses. This link can help you make some decisions. I found it very helpful. Once you were able to start your business, you could also face some cash flow problems. Budgeting and planning are really important here. Visit this article for more tips.

2. Abandoning another career, or trying to juggle uni at the same time
This is something that I have been thinking about quite a bit. If I were to have a really great idea now, would it be better for me to wait and finish university, or should I jump into the unknown with both feet and hope to manage both? I found this article pretty helpful. Generally, timing is really important when it comes to startups. So, depending on what you want to do, there might actually be some advantages to you waiting a few months or years. But then on the other side, in the meantime, someone could always just come up with the same idea and start it right away.

3. Team building
It's pretty clear that having a great team is really important and that the people you
choose will have a big impact on the success of your startup. I have written a few blog posts about it — check them out here and here. Again, if you don’t surround yourself with the right people, it could really harm your startup. You also want to consider that when you partner with someone you will be quite literally stuck with them.

4. Dealing with the unknown
Will you be successful? How long will you be in business? Will you be able to make money? Will your customers like your product or service? How many years will it take until you will be making some profit? Will you be able to grow and, if yes, how? There are so many questions and no real answers until you get there. You should be realistic about having to face all these unknowns, but at the same time not be extremely doubtful of yourself and your own abilities. Market research can and will help you. Our university library gives us access to IBISWorld, where you can research industries and learn so much more about them.

I think it’s also important to remember that even though these challenges seem a bit frightening, that “Challenges are what make life interesting and overcoming them is what makes life meaningful” (Joshua J. Marine). If you don’t try, you can’t succeed and will probably have regrets in your life anyway, so I think it's worth it to risk something if you are passionate about it.

Only seven more business days until the semester is over! (Or until finals start... ) Hope you have a great weekend!

P.S. This week's German word is a big one: "Herrausforderung," which means "challenge."

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