

The Difference between Entrepreneurs and Business Owners

By: [Guidant Financial](#)

If you're a small business owner (or franchise owner), you may not think of yourself as an entrepreneur like Elon Musk or Mark Zuckerberg. Maybe you feel it's because you didn't invent a cutting-edge product like Facebook or a SpaceX rocket, or perhaps you haven't had to "pull yourself up by your bootstraps," as many in the tech sector have. But according to Webster's, an entrepreneur is "*one who organizes, manages and assumes the risks of a business or enterprise.*" Nowhere in that definition is it stated that you must be scraping together funds from your basement start-up to build the next artificial intelligence robot or social networking platform. Business owners, franchisees and entrepreneurs all build, run, innovate and advance their businesses – no matter if their product is craft beer or their service is pet-sitting.

That said, many people, including small business owners themselves, still believe a 'business owner' and 'entrepreneur' are slightly different. For instance, in the Entrepreneur.com article, "[Business Skills vs. Entrepreneurial Thinking](#)" the author suggests that entrepreneurship describes the way someone thinks, while business people focus on skills such as developing marketing plans. But who's to say you can't do both? There are no rules declaring you have to be one or the other. And as you'll see, the similarities between the two are striking, so don't limit yourself with your title. Take a closer look at what small business owners, franchisees and entrepreneurs have in common:

Both Think About the Big Picture

Business owners and Entrepreneurs both manage some of the day-to-day operations of their business, but they're also just as likely to be passionate about their business and think longer-term about where they want the company to go in the future. In fact, many small business owners are constantly innovating and not even aware of it because it's so intrinsic to their nature, according to a Forbes article titled, "[Innovation Lessons from Small Businesses.](#)" Just think: When you run a small business, you are closer to your customers and know their wants, needs and pain points, which allows you to address them more quickly. Also, they aren't focused on revolutionizing your product or service to the desires of tomorrow.

Both Are Vested in Their Success

In order to start their dream business or franchise, small business owners and entrepreneurs have to invest in their venture, both financially and emotionally. First, they must fund their business in some way, whether they use their own cash to self-fund or put money down towards a business loan. They also invest in relationships with mentors or experts who can help them in areas where they need assistance. This could be anything from payroll and accounting to ensure a smooth tax year to marketing or public relations to help grow and manage their advertising efforts. Finally, they also invest their time and efforts in the business, from working long hours or pitching in on duties that don't technically fall under their job responsibilities to



occasionally making personal sacrifices when time doesn't permit them to be in two places at once.

Both Put on a Brave Face

According to the Entrepreneur.com article, "[5 Traits of Powerful Small-Business Owners](#)," Entrepreneurs and business owners alike need to have thick skin. They want their product or service to stand out from the crowd, and they may face hard decisions and obstacles on the path to success. Also, they will likely encounter personnel issues with employees and be forced to work with customers or clients who are less than polite at times, so they must be able to be polite while standing their ground.

Both Reason with Realism

According to "[The Best Entrepreneurs Do This One Thing](#)," on Inc.com, business owners and entrepreneurs must be solid problem-solvers. In addition to identifying issues in the workplace with customers, personnel, logistics and processes, they should be able to resolve problems based on reasoning skills. Being able to map out a realistic plan going forward is also important, according to the Forbes article, "[The 4 Most Effective Ways Leaders Solve Problems](#)." In the words of the author, "they [business leaders] anticipate the unexpected, and utilize the strengths of their people to assure the strategy leads to a sustainable solution."

As you can see, entrepreneurs and business owners embody many of the same traits and characteristics. So the next time you're trying to label who you are and what you do, remember you're both an entrepreneur and a business owner. You aren't constrained by a single definition – but rather defined by your hard work, innovative nature, reasoning abilities and determination.

