

National Study of Business Start-Ups

Instructions

This questionnaire is designed for a wide variety of firms and people. Please answer as many questions as possible.

Do not spend too much time on any one question.

Anonymity and Confidentiality

This interview is confidential and completely voluntary – if you should come to any question that you don't want to answer, just go on to the next question.

If you have any questions or comments about this project or the questionnaire, please call [contact person], during normal business hours.

A1. Briefly, how did the (original) idea for starting a business develop?

A2. Which came first for you, the business idea or your decision to start some kind of business? **[CHECK ONE BOX ONLY]**

- 1. Business idea or opportunity came first
- 2. Desire to start a business came first
- 3. Idea or opportunity and desire to have a business came at the same time

A3. (If/When) you were looking for an appropriate idea for a business, about how many were considered before selecting this idea? **[CIRCLE ONE SELECTION ONLY]**

- 1 2 3 4 5 6-9 10-19 20-39 40+

A4. Has the business idea or opportunity changed very much since the beginning or is it pretty much the original concept? **[CHECK ONE BOX ONLY]**

- 1. Idea/opportunity has changed a great deal
- 2. Idea/opportunity has changed a little
- 3. Idea/opportunity is about the same

A5. Which of the following led to your business idea? **[CHECK ALL THAT APPLY]**

- a. It developed from another idea I was considering
- b. My experience in a particular industry or market
- c. Thinking about solving a particular problem
- d. Discussions with my friends and family
- e. Discussions with potential or existing customers
- f. Discussions with existing suppliers or distributors
- g. Discussions with potential or existing investors/lenders
- h. Knowledge or expertise with technology
- i. Other (please specify) _____

A6. How much new information was acquired in recognizing this new business opportunity? **[CHECK ONE BOX ONLY]**

- 0. None
- 1. Some
- 2. A moderate amount
- 3. A great deal

- A7. Was this new information . . . **[CIRCLE ONE RESPONSE FOR EACH ROW]**
- a. Related to the timing of the business opportunity? **Yes No Not Sure**
b. Related to the location of the business opportunity? **Yes No Not Sure**
c. Related to relationships with other people? **Yes No Not Sure**
d. Widely available to others? **Yes No Not Sure**
- A8. What percentage of this new information would be worthless if the start-up did not become an operating business? _____%

B1. Communities vary a great deal in their entrepreneurial activity. How much do you agree or disagree with the following statements? **[CIRCLE ONE NUMBER IN EACH ROW]**

1=Completely disagree 3=Neither agree nor disagree 4=Somewhat agree
2=Somewhat disagree 5=Completely agree

- a. Those with successful businesses get a lot of attention and admiration 1 2 3 4 5
b. Young people are encouraged to be independent and start their own businesses 1 2 3 4 5
c. State and local governments provide good support for those starting new firms 1 2 3 4 5
d. Bankers and other investors go out of their way to help new firms get started 1 2 3 4 5
e. Other community groups provide good support for those starting new firms 1 2 3 4 5
f. There are many examples of well-respected people who made a success of themselves starting new businesses 1 2 3 4 5
g. Many of my friends have started new firms 1 2 3 4 5
h. Many of my family and kin have started new firms 1 2 3 4 5
i. The local media does a good job of covering local business news 1 2 3 4 5
j. Most of the leaders in this community are people who own their own businesses 1 2 3 4 5

C1. How accurately would the following statements describe the start-up problems with your new business? **[CIRCLE ONE NUMBER IN EACH ROW]**

1=Completely untrue 3=It depends 4=Mostly true
2=Mostly untrue 5=Completely true

- a. Being taken seriously as a business person 1 2 3 4 5
b. Receiving support from those close to me (spouse, family, & friends) 1 2 3 4 5
c. Getting suitable health insurance for myself and family members . . . 1 2 3 4 5
d. Balancing time between business, personal, and family life 1 2 3 4 5
e. Lack of mentors or others who can provide advice and support 1 2 3 4 5

D1. Considering the economic and community context for the new firm, how certain are you

that the new business will be able to accomplish each of the following? **[CIRCLE ONE NUMBER IN EACH ROW]**

1=Very low certainty 4=High certainty
2=Low certainty 5=Very high certainty
3=Neither high nor low 8=Does not apply

- a. Obtain raw materials 1 2 3 4 5 8
b. Attract employees 1 2 3 4 5 8
c. Obtain start-up capital 1 2 3 4 5 8
d. Obtain working capital 1 2 3 4 5 8
e. Deal with distributors 1 2 3 4 5 8
f. Attract customers 1 2 3 4 5 8
g. Compete with other firms 1 2 3 4 5 8
h. Comply with local, state, and federal regulations 1 2 3 4 5 8
i. Keep up with technological advances 1 2 3 4 5 8
j. Obtain a bank's help 1 2 3 4 5 8
k. Obtain venture capitalists' help 1 2 3 4 5 8

E1. How will the money for this new business be handled? **[CHECK ALL THAT APPLY]**

- a. No formal records f. Owner managed accounting or bookkeeping system
 b. Cash basis g. Owner managed computerized accounting system
 c. Accrual basis h. Use of computer software, such as Quicken
 d. Personal checking account i. Professionally managed (accountant or bookkeeper) accounting system
 e. Separate business checking account

E2. Who will prepare financial statements for this new business? **[CHECK ONE BOX ONLY]**

1. Owner/manager(s) 2. Bookkeeper 3. Accountant

E3. Please indicate how often you expect to prepare the following statements for this new business. **[Check one box for each row]**

	Don't Know	Not Relevant	Every Month	Every 3 Months	Every 6 Months	Once a year	Never
a. Cash Statement							
b. Income Statement							
c. Sales Forecast							
d. Break-even analysis							
e. Balance sheet							
f. Cost of capital							

F1. Please write in the number of courses and years of work experience you have in the following areas.(Enter "0" for none.)

	Number of Courses	Years of Work Experience
a. Sales or marketing management		
b. Accounting, financial control		
c. Production, plant management		
d. Personnel, human resource management		
e. Transportation, distribution, inventory management		
f. Financial and capital management		
g. Technological and innovation management		
h. Mathematics		
i. Economics		

G1. To what extent are the following reasons important to you in establishing this new business? [CIRCLE ONE NUMBER IN EACH ROW]

1=To no extent 3=To some extent 4=To a great extent
2=To a little extent 5=To a very great extent

- a. To achieve a higher position for myself in society 1 2 3 4 5
- b. To have greater flexibility for my personal and family life 1 2 3 4 5
- c. To be innovative and in the forefront of new technology 1 2 3 4 5
- d. To continue a family tradition 1 2 3 4 5
- e. To be respected by my friends 1 2 3 4 5
- f. To have considerable freedom to adapt my own approach to work 1 2 3 4 5
- g. To give myself, my spouse and children financial security 1 2 3 4 5
- h. To continue to grow and learn as a person 1 2 3 4 5
- i. To follow the example of a person I admire 1 2 3 4 5
- j. To build a business my children can inherit 1 2 3 4 5
- k. To earn a larger personal income 1 2 3 4 5
- l. To achieve something and get recognition for it 1 2 3 4 5
- m. To develop an idea for a product 1 2 3 4 5
- n. To have a chance to build great wealth or a very high income 1 2 3 4 5
- o. To fulfill a personal vision 1 2 3 4 5
- p. To lead and motivate others 1 2 3 4 5
- q. To have the power to greatly influence an organization 1 2 3 4 5
- r. To challenge myself 1 2 3 4 5

H1. The following three ventures have the same "expected payout" in the sense that the probability of success times the profit is the same. If **your skill and energy could affect the outcome** of each, which would you prefer? [CHECK ONE BOX ONLY]

- 1. A profit of \$5,000,000, but a 20 percent chance of success
- 2. A profit of \$2,000,000, but a 50 percent chance of success
- 3. A profit of \$1,250,000, but an 80 percent chance of success

H2. The following three ventures have the same "expected payout" in the sense that the probability of success times the profit is the same. If the outcome was primarily a function of **external events** (market demand and competition from others) which would you prefer? [CHECK ONE BOX ONLY]

- 1. A profit of \$5,000,000 but a 20 percent chance of success
- 2. A profit of \$2,000,000 but a 50 percent chance of success
- 3. A profit of \$1,250,000 but an 80 percent chance of success

H3. Which of the following would come closest to describing why you might quit a job? [CHECK ONE BOX ONLY]

- 1. The job was too difficult
- 2. The job was not challenging any more

H4. Which type of job would you prefer? [CHECK ONE BOX ONLY]

- 1. I had a lot of say in what is going on
- 2. I had to think for myself

H5. Which is truer for you? [CHECK ONE BOX ONLY]

- 1. I would like to have more friends
- 2. I would like to be better at things I try

H6. Which is truer for you? [CHECK ONE BOX ONLY]

- 1. I would like to have more friends
- 2. I would like to have more people pay attention to what I have to say

H7. If you were in the middle of doing something important, like a major project or a series of tests, and someone told you that you were doing very well, how would you react? [CHECK ONE BOX ONLY]

- 1. Consider the work or tests yet to come
- 2. Feel good about the work completed so far

H8. The following two situations have the same "annual payout," but the control over the business is different. Which situation would you prefer? [CHECK ONE BOX ONLY]

- 1. A firm makes \$100,000 per year, as the sole owner, you keep all \$100,000
- 2. A firm makes \$500,000 per year, which you split with four equal partners, keeping \$100,000 for yourself

- H9. Consider two types of new businesses. Assuming you are the sole owner, which situation would you prefer? [CHECK ONE BOX ONLY]
- 1. ALPHA - A business that would provide a good living, but with little risk of failure, and little likelihood of making you a millionaire.
 - 2. BETA - A business that was much more likely to make you a millionaire but had a much higher chance of going bankrupt
- H10. If you could obtain more information to make a choice between businesses ALPHA and BETA, how important would each of the following be?
[CIRCLE ONE FOR EACH ROW]
- 1=Unimportant 2=Somewhat important 3=Very important**
- | | | | |
|--|---|---|---|
| a. The chances of going bankrupt for both ALPHA and BETA | 1 | 2 | 3 |
| b. The chances of making millions for both ALPHA and BETA | 1 | 2 | 3 |
| c. The exact amount of earnings if ALPHA and BETA were successful | 1 | 2 | 3 |
| d. The time and effort required to manage ALPHA and BETA | 1 | 2 | 3 |
| e. The opinion of family and friends about this choice | 1 | 2 | 3 |
| f. The experience of those managing businesses like ALPHA and BETA | 1 | 2 | 3 |
| g. Your feelings about the type of business activity represented by ALPHA and BETA | 1 | 2 | 3 |
- I1. Since beginning your work career, how many times have you resigned your job to take a new position . . .
- a. . . . with a new job lined up? _____ times
 - b. . . . without a new job lined up? _____ times
- I2. The last time you had a job working for someone else or in an established organization, what was your job title?
- _____
- I3. What did you do?
- _____
- I4. How long did you have this job? _____ years _____ months
- I5. Following the chain of command, how many people were between you and the Chief Executive Officer?
If you were the CEO, write "0." _____ people
- I6. How many people worked for this organization? _____ people

- I7. What type of organization was it? [CHECK ONE BOX ONLY]
- 1. Private sector, 100 employees or more
 - 2. Private sector, under 100 employees, fast growth
 - 3. Private sector, under 100 employees, stable
 - 4. Public sector
 - 5. Not-for-profit sector
 - 0. Other[Specify]:_____
- I8. How satisfied were you with (this job/your current work activity)?
[CHECK ONE BOX ONLY]
- 5. Very satisfied
 - 4. Somewhat satisfied
 - 3. Neither satisfied nor dissatisfied
 - 2. Somewhat dissatisfied
 - 1. Very dissatisfied
- I9. In dealing with problems on the job or in business or in organizational settings, which of the following has been the most difficult? [CHECK ONE BOX ONLY]
- 1. Identifying the important problems that require attention
 - 2. Developing solutions for the problems, once they are identified
- J1. When making important decisions, about business, work, or other aspects of your life, would you consider your problem solving to be . . . [CHECK ONE BOX ONLY]
- 1. Most of the time it is calculating and analytical
 - 2. Most of the time it is intuitive, relying on my gut feelings
 - 3. It tends to vary, depending on the situation
- J2. In your work, how often does the following happen?
[CIRCLE ONE NUMBER IN EACH ROW]
- 1=Very often 3=Sometimes 4=Rarely**
2=Often 5=Never
- | | | | | | |
|--|---|---|---|---|---|
| a. I face new, complex, or unpredictable situations | 1 | 2 | 3 | 4 | 5 |
| b. I feel overloaded, pushed to my physical or mental limits | 1 | 2 | 3 | 4 | 5 |
- J3. In your work, how do you feel about the following activities?
[CIRCLE ONE NUMBER IN EACH ROW]
- 1=Very confident 3=Moderately confident 4=Slightly confident**
2=Quite confident 5=Not at all confident
- | | | | | | |
|---|---|---|---|---|---|
| a. That you will be successful in completing new tasks | 1 | 2 | 3 | 4 | 5 |
| b. That you can reach goals you set for yourself | 1 | 2 | 3 | 4 | 5 |
| c. That you will be successful when confronting obstacles | 1 | 2 | 3 | 4 | 5 |

K1. Your reactions to this specific business start-up would also be very useful. How would you respond to the following descriptions of the firm and its situation?

[CIRCLE ONE NUMBER IN EACH ROW]

	1=Completely disagree	2=Generally disagree	3=Neutral	4=Generally agree	5=Completely agree
a. If I work hard, I can successfully start a business	1	2	3	4	5
b. Starting a business is much more desirable than other career opportunities I have	1	2	3	4	5
c. If I start a business, it will help me achieve other important goals in my life	1	2	3	4	5
d. Overall, my skills and abilities will help me start a business	1	2	3	4	5
e. My past experience will be very valuable in starting a business ..	1	2	3	4	5
f. I am confident I can put in the effort needed to start a business .	1	2	3	4	5
g. If no action is taken to implement this business idea, an important location may not be available	1	2	3	4	5
h. If no action is taken to implement this business idea, important personal relationships may dissolve	1	2	3	4	5
i. If no action is taken to implement this business idea, the opportunity may not be available	1	2	3	4	5
j. I have engaged in a deliberate, systematic search for an idea for a new business	1	2	3	4	5
k. The best business ideas just come, without a need to search for them	1	2	3	4	5
l. For me, identifying business opportunities has involved several learning steps over time, rather than a one-time thing	1	2	3	4	5
m. If this business idea is not successful, I am willing to go to work for someone else	1	2	3	4	5
n. If this business idea is not successful, I am willing to try up to five other business ideas before I go to work for someone else ...	1	2	3	4	5
o. If this business idea is not successful, I am willing to try up to ten other business ideas before I go to work for someone else	1	2	3	4	5
p. Even if this business idea is not successful, I will never go to work for someone else	1	2	3	4	5

L1. The following statements can be used to describe most people. How accurately would they describe you? [CIRCLE ONE NUMBER IN EACH ROW]

	1=Completely untrue	2=Mostly untrue	3=It depends	4=Mostly true	5=Completely true
a. I can do anything I set my mind on doing	1	2	3	4	5
b. I do every job as thoroughly as possible	1	2	3	4	5
c. I spend a considerable amount of time making organizations I belong to function better	1	2	3	4	5
d. I would rather have my own business than pursue another promising career	1	2	3	4	5
e. There is no limit as to how long I would give maximum effort to establish my business	1	2	3	4	5
f. My personal philosophy is to “do whatever it takes” to establish my own business	1	2	3	4	5
g. Owning my own business is more important than spending time with my family	1	2	3	4	5
h. I have no trouble making and keeping friends	1	2	3	4	5
i. When I make plans I am almost certain to make them work	1	2	3	4	5
j. When I get what I want, it is usually because I worked hard for it	1	2	3	4	5
k. If I am about to leave home for a game or concert and discover I lost the ticket, I will buy another ticket and go anyway	1	2	3	4	5
l. When I decide whether to keep or sell an investment, I consider the investment’s current value rather than what I paid for it	1	2	3	4	5
m. I am very happy with my life overall	1	2	3	4	5
n. I would be proud of my children if they started their own business	1	2	3	4	5
o. I have been very impressed with the people I know well who have their own business	1	2	3	4	5
p. All things considered, I would probably choose the same career path again	1	2	3	4	5
q. I enjoy the challenge of situations that many consider “risky”	1	2	3	4	5
r. When confronted with a difficult problem I tend to delay a decision so I can collect more information	1	2	3	4	5
s. I rarely show my feelings	1	2	3	4	5
t. I usually know what is appropriate in any social situation	1	2	3	4	5
u. I consider myself a loner	1	2	3	4	5
v. Whatever emotion I feel on the inside tends to show on the outside	1	2	3	4	5
w. I am often concerned about what others think of me	1	2	3	4	5
x. I am a good judge of other people	1	2	3	4	5
y. I can talk to almost anybody about almost anything	1	2	3	4	5

Consider two of your typical days over the past several weeks. First, a typical "work-day," second, a typical "day off" – a day where you had little or no work activities.

M1. In the last week, how many days were work days? _____ days

M2. What day of the week was your last typical work day? **[CIRCLE ONE DAY ONLY]**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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M3. In the last month, how many days were days off? _____ days

M4. What day of the week was your last typical day off? **[CIRCLE ONE DAY ONLY]**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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M5. For the last typical work day and day off, please indicate how much time (within a quarter of an hour) was devoted to each daily activity. It should total to 24 hours.

DAILY ACTIVITIES	Typical Work Day [Hours]	Typical Day Off [Hours]
a. Sleeping	_____	_____
b. Personal care (dressing, bathing, grooming)	_____	_____
c. Meals, eating	_____	_____
d. All work for pay, including travel	_____	_____
e. Working on a new business start-up, including travel	_____	_____
f. Household work (e.g., cooking, cleaning, laundry, yard work, repairs, etc.)	_____	_____
g. Infant and child care (feeding, bathing, dressing, etc.)	_____	_____
h. Care of older family members (chores, errands)	_____	_____
i. Personal time with spouse, others	_____	_____
j. Reading, TV, sports, recreation, hobbies, going out	_____	_____
k. Other (specify) _____	_____	_____
Total	24 hours	24 hours

N1. Considering all the new businesses that will be started in the U.S. this year, what percent do you expect to close within five years? _____ %

N2. Of all new business starts, what percent will eventually be worth:	\$0-\$499,999	_____ %
	\$500,000-\$999,999	_____ %
	\$1,000,000-\$4,999,999	_____ %
	\$5,000,000-\$9,999,999	_____ %
	\$10,000,000 or more	_____ %
		100%

O1. For each of the last (eleven - fifteen) years, please indicate your major activities. Put an "x" in each box that applies. For example, if you were a student part-time and employed part-time in 1990, you would put an "x" in two rows for the 1990 column.

Major Activities	87	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03
a. Employed full-time																	
b. Employed part-time																	
c. Self-employed full-time																	
d. Self-employed part-time																	
e. Student full-time																	
f. Student part-time																	
g. Unemployed seeking work																	
h. Unemployed not seeking work																	
i. Unpaid volunteer worker																	
j. Homemaker																	
k. Disabled, unable to work																	
l. Retired																	

P1. If you have any final comments about the national study of business start-ups or the interview procedure, we would like to hear them.

THANK YOU FOR YOUR HELP !!!

If the stamped, addressed envelope for [contact address] returning the questionnaire has been misplaced, please return to:

Entry # |__|__|__|__| ID # |__|__|__|__|__| Date Received: Mo: __ Day: __ Yr: __