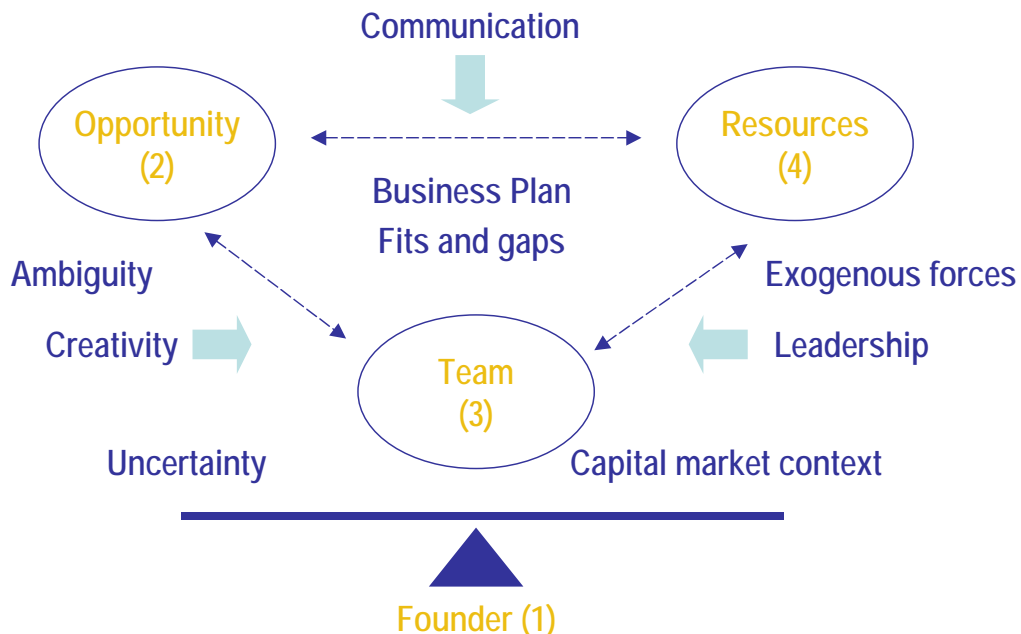


## The Timmons Model of the Entrepreneurial Process<sup>1</sup>

The key factors in the Timmons model (see below) are the entrepreneur and the founding team, the opportunity, and the resources that are mustered to start the new organization. Put simplistically, the Timmons model is normative. The key ingredient is the entrepreneur. If the entrepreneur has the right stuff, he or she will deliberately search for an opportunity, and upon finding it, shape it so that it has the potential to be a commercial success, or what Timmons calls a high-potential venture. The entrepreneur then gathers the resources that are necessary to start a business to capitalize on his or her opportunity. Explicit in the Timmons framework is the notion that the entrepreneur and the provider of capital will be rewarded with profits, and that both are commensurate with the risk and effort involved in starting, financing, and building the business. The entrepreneur usually risks career, personal cash-flow, and some or all of his or her net worth. In an ideal situation, all this is quantified in a business plan before the business is operational.

## The Timmons Model of the Entrepreneurial Process



<sup>1</sup> Adapted from *Business Plans That Work: A Guide For Small Business*, by Jeffrey A. Timmons, Andrew Zacharakis, Stephen Spinelli, McGraw Hill, 2004