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Chapter 2

Entrepreneurs think differently than non-entrepreneurs. Their decisions are made in highly uncertain environments. Entrepreneurs must be effective, cognitively adaptable and learn from failure. **What is cognitive adaptability?**

There are two major ways to think about tasks: causally and effectually. A **causal process** involves thinking of a desired outcome and then coming up with a plan to achieve that outcome. Causal thinking is starting with the desired outcome in mind and then focusing on the means to achieving that outcome. The **effectuation process** looks at what a person has (who they are, what they know, and whom they know) and then selects from several possible outcomes. Entrepreneurs use the effectuation process. The implications of effectuation involve five basic principles. **List and define briefly each of the 5 principles.**

The difference between the entrepreneurial style and the managerial style involves eight business dimensions. Page 41© **List and briefly define each of the 8 dimensions.**