

## WHICH IS BETTER, TO BE AN EMPLOYEE OR AN ENTREPRENEUR?

One time I was asked by the head engineer of a construction firm, who felt that it was high time for him to have a business of his own. He asked me, "Which is better? To be an employee or to be an entrepreneur?" I said when you choose an opportunity to pursue, you should choose the one with the highest rate of return, meaning the money you get back from the investment you make. I asked him, "As an employee, how much money did you invest in the company?" He said, "Nothing. Only his time and energy." I asked him further, "How about the owner, how much did he invest?" He answered, "A lot! Plus his time and energy?" So I explained that whatever you get from his zero investment is an "infinite" rate of return! So I asked him, between the employee and the entrepreneur, who had the higher rate of return? I told him that an employee has the opportunity to become rich if he only knows how to manage the salary and bonus he gets. I told him this is why I wrote the book *Creating Wealth And Managing Resources*, to show people like him how to maximize the return of their time, energy and salary. After this, his eyes brightened and had a big smile on his face.

Some employees will eventually become entrepreneurs, while some will be groomed to become executives of the companies they serve. Which is better? I believe both options are good and profitable. When you decide to remain an executive in the company, you have the privilege to run a business without investing anything. Your profit comes in the form of the huge salary you get. When you decide to become an entrepreneur, you have to invest money in the business. You get to profit only when you have paid all your expenses, including the salaries of your employees. However, an entrepreneur gets to decide how big the income he will produce from his business.

Why do you want to be an entrepreneur?

When I ask people why they want to become entrepreneurs, most will say it is because entrepreneurs are the ultimate expression of freedom. They say entrepreneurs own their time and are therefore free to do whatever they want to and whenever they want to do it. They also say that entrepreneurs are their own bosses, so they are free from any authority. Boy, are they so wrong! Entrepreneurship is not freedom because you become a slave to your business. While you may not have a boss to serve, you will be continually worried about your ability to pay the salaries of your people. You need to prioritize them because if you do not they might leave, and you will have to start all over again. This is why I get so disturbed when I see millennials who travel and party a lot while they are starting a business of their own. There is a big chance that their business will fail because they are not giving it the time it needs to stabilize and grow.

The last time I checked, the majority of the successful business people I know, even the so-called experts, started as employees. While they may not realize this, the experience they gained as an employee became the foundation of the businesses they have today. Ako, I am grateful for my employment experience because many of the principles I use today are things I learned from working as an employee.