



Entrepreneurial Lives

Lifestyle entrepreneurship: A life affirming business ethic

Alison Rusted

After 21 years of working for one company, I set up my own business, and rather to my surprise, I've become an entrepreneur. I wanted to do something that I would find stimulating and personally meaningful. I felt that I had had my traditional career and now I want to make my own decisions and enjoy the journey along the way.

MariaLaura DiDomenico

That was Alison Rusted, a former editor at the BBC and co-founder and director of the media training and production company, Alfi Media.

I'm MariaLaura Di Domenico from the Open University Business School and this podcast is called 'Lifestyle entrepreneurship: A life affirming business ethic'. It's the fifth in this series called 'Entrepreneurial Lives'.

Why is 'lifestyle' important to many entrepreneurially minded people? Who is the so-called 'lifestyle entrepreneur'? And how do these individuals define business success?

What are often labeled as lifestyle businesses are typically those that may not lend themselves to rapid growth and tend to be linked to the personal interests and knowledge of the founders. For example, businesses that come to mind are bed and breakfasts, small independent shops, restaurants, and craft businesses such as furniture restoration or antiques. In fact, these are run by people who are similar to some of those you've been hearing from throughout this series.

You may recall interior designer Sarah Hodgkins from previous podcasts in our series. Like many entrepreneurs she has dual priorities of business and family. I wanted to get an insight into her chosen lifestyle and asked her to describe a typical day.

Sarah Hodgkins

That's quite tough actually because there isn't really a typical day for me. If I am off to see a customer, I will get up, I will get the children ready for school, I will drop them off at school. I will normally come back to my office first, I try not to run straight to meetings, I try to get to my office and prepare first. Then I go off to the meeting, conduct the meeting, come home - again I do try and leave myself some time to make notes after the meeting so I don't forget things. I will pick up the children, I will either take them to whatever class club it is that they are doing that day or we'll have friends over. I often have a house full of children. Then I get the children tea, ready for bed, get them to bed and then I often start work again. I often do an hour, 2 hours work in the evening as well, just to kind of answer emails, get back to people, stuff that I haven't had chance to do during the day.

MariaLaura DiDomenico

Then there was Kate Hopewell-Smith who ran her own photography business. She started her business as an alternative to going back to work for her former employer as this fitted in with her family commitments and involved an activity that she finds very rewarding.

Kate Hopewell-Smith

It started when my youngest, Sam, was about 2 and I realised that I didn't want to just be a full time mum anymore, so I looked for courses in photography and actually found one with the Open University of the Arts which is affiliated to the Open University. But after about a year, people started to comment on the photography and that kind of thing and one thing led to another and then I got asked to do a wedding and when I got asked to do the wedding, it

changed everything because I sought additional training, did a business course and that has been the beginning of the business really.

MariaLaura DiDomenico

So it was rather an organic process?

Kate Hopewell-Smith

It was incredibly organic and in fact, if somebody said to me 2 years ago only that I would now be running a busy lifestyle portrait business, I don't think I would have believed it.

MariaLaura DiDomenico

Sarah and Kate are similar in as much as they are both motivated by qualities like flexibility, freedom, and autonomy. They want financial success. But they do not prioritize it over family, creativity or stimulating work.

The term 'entrepreneur' in general, belongs in an interdisciplinary theoretical territory bordered by economics, history, sociology and psychology. The concept of 'entrepreneur' is broad and often ambiguous and may not be precise enough to describe different types of entrepreneurial individuals and approaches, especially when applied only in relation to the economic sphere of activities. It can also be said that it 'carries a lot of baggage' with it and requires further refinement.

A lifestyle business is one where entrepreneurs seek to generate adequate income while living where they want and doing what they love. They crave the flexibility to be able to decide upon the type of work they do and their own hours of work. For the 'lifestyle entrepreneur', success is defined as an increase in satisfaction with one's life overall. Rather than viewing the business and social sphere as incompatible, the approach or 'business ethic' is one that facilitates fulfillment in all areas of one's life. Yes, there will be inevitable tensions and challenges to address, but it is fair to say that lifestyle entrepreneurs are business owners who are neither financially independent hobbyists nor wealth-seeking empire-builders. They like being their own bosses and want to be financially successful. But they are not willing to sacrifice their work-life balance, fulfillment or priorities in their private lives even if that would mean potentially more lucrative financial returns.

Unfortunately, I've found that the term 'lifestyle entrepreneur' and 'lifestyle business' are often used as pejorative terms in business circles with the implication that the entrepreneur wants an easy life or merely to pursue a hobby business. They're characterized as somehow inferior or even not 'real' or 'proper' businesses.

For example, I once interviewed the owner of a small guest house business. Her name was Sarah, a retired secondary school maths teacher and she ran the business, with the part-time support of her husband, from their home in rural Scotland. She enjoyed the autonomy and flexibility of running her own business. But she was in it for the income as well – a much needed boost to the family earnings. Intent on providing a high standard of customer service and in a bid to receive as high a star rating as she could from the tourist board, she decided to attend local business meetings put on specifically for hoteliers and other similar businesses in the local area. However, she was informally dismissed in conversations with a number of the men who dominated the meetings - 'Oh but that's just a lifestyle business' one scoffed. As if it wasn't a 'proper' business. She told me that she felt belittled, and after that, never went back.

But is it fair to use the term 'lifestyle entrepreneur' to denote someone who is somehow less business savvy? I, for one, don't think so. Most people have an innate desire to engage in activity that they're passionate about whilst also doing so with an eye on family or work life balance for instance. That way passion and creativity are more likely to endure and the business to be sustained. Of course, this is not to say that successful contemporary entrepreneurial figures such as Richard Branson and Bill Gates are not engaged in activities that they are passionate about and find enjoyable in themselves. Far from it. But it is a more nuanced argument than that. Success is measured differently and business decisions are made by the lifestyle entrepreneur with an eye on other issues they value highly. I've spoken

with individuals who are motivated by personal interests, lifestyle, family or work-life balance. Yes, they do prioritize issues such as flexibility, but they also want to be successful and profitable. They invest a lot of time and effort in their businesses. And, they are very entrepreneurial in terms of facets such as creativity, innovation and risk-taking.

Here's Alison Rusted again talking about how her life as an entrepreneur compares to her former job as an editor at the BBC and how her decision to become her own boss was primarily lifestyle driven.

Alison Rusted

I felt I needed a new challenge and coincidentally, the BBC were about to relocate my department to Salford and for me, that just wasn't the type of challenge I wanted then in my own personal circumstances. I wanted a different type of an adventure and after so many years at "the beeb", I decided I would try and use my skills and experiences and start my own business working for myself and I really wanted to see if I could do it.

MariaLaura DiDomenico

So how different is your lifestyle now that you run your own business?

Alison Rusted

I still work evenings and I still work some weekends but not with the frequency that I did before and also its now absolutely out of my choice. In ways that it's different - I can pick and choose most of the time what jobs I want to do, who I want to work with. I can fix it around other things going on in my own personal life and I feel a huge sense of freedom. I am also doing a wider variety of jobs and that's also been really exciting.

MariaLaura DiDomenico

Many contemporary views of 'entrepreneurship' embrace a particular view of business growth as fundamental to the concept. However, for many of the people who I would classify as entrepreneurial, growth is not assumed as a goal and business success may imply more complex orientations than just profit. I've found that many owners of small businesses are not necessarily motivated by the desire to grow and many even deliberately avoid growth. Business success may be measured by taking a number of factors into consideration and not just growth. These can include, for example, ethical business practices.

It's difficult to define the concept of 'lifestyle' as it implies a quality of life which is subjective defined to each individual and includes aspects of work, family and gender and how they relate to each other. Status is also expressed through lifestyle which is marked by symbols such as type of housing and occupation as well as consumption patterns. For everyone, individual identities are structured around lifestyle choices. The French philosopher Emmanuel Levinas referred to enjoyment as a core part of our senses and of 'the complacency in itself of life loving life'. He equates enjoyment with a primal sensibility, as a key part of self-nourishment. For the lifestyle entrepreneur, this self-fulfillment and self-nourishment is a priority. They're driven by a desire for independence, autonomy and control. But large sales and profits are deemed important only when providing whole life satisfaction for the lifestyle entrepreneur. So, profitability in their business operations is but one of their goals.

Alison Rusted

I think, for me, business success is now less about how much I earn, although clearly I do want to earn money, I want to earn enough money, but it is more about the sense of fulfillment I get in my life - the challenges, the stimulation, the stretching myself, learning new skills and meeting a wide variety of new people and I think that is what I would term now for me as business success. It's part of my lifestyle.

MariaLaura DiDomenico

Alison Rusted on the rewards she gets from being an entrepreneur and her own definitions of business success.

I've found that the self-defined lifestyle entrepreneurs I've spoken to crave social relationships and interactions. They may have wanted to leave the 'rat race' of modern life. Sometimes, they take a chance on a business which can be integrated into family commitments for instance. Almost contrary to the traditional idea of the protestant work ethic involving frugal hard work often at the expense of enjoyment, these individuals have what I term as a 'life-affirming business ethic'. Business is not all consuming but regarded as one element of a rich tapestry of experience – decision-making and effort are carefully balanced in relation to maximizing success criteria in the multiple arenas of health, wealth and relationships. This is a different view of success than that chiefly driven only by wealth accumulation.

So, we can appreciate then that the entrepreneur is not exclusively one type of person. Whilst lifestyle entrepreneurs focus on the balance of benefits derived primarily for themselves and their own families in terms of their way of life, others instead focus their attention outwards. Take social entrepreneurs for instance. They pursue a specifically social or community objective that will benefit society. They want to effect social change for the better by tackling a social or environmental goal. Although not essential, they may choose to do this through enterprise creation. For example by running social enterprises – businesses that blur the boundaries between private and nonprofit sectors by pursuing revenue generation in order to achieve social or environmental goals. They engage in a broad range of activities such as recycling, subsidized housing, low cost transport, childcare, community safety and employment skills training. One well-known contemporary social entrepreneur is Muhammad Yunus, founder of Grameen Bank, a microfinance and community development bank launched in Bangladesh. Yunus was awarded a Nobel Peace Prize in 2006. His approach demonstrates the potential benefits of merging business and social goals.

Of course more economically-focused entrepreneurs may also be philanthropically minded but express this differently. This can be a distinct activity from their core business - and often developed after success in business has already been achieved, like Bill Gates' decision to donate his fortune to a charitable foundation which he runs with his wife.

Throughout this series we've heard from people who've set up their own businesses and their everyday realities. We explored the very real issues facing entrepreneurs such as juggling family and work demands, running businesses from home, the role of friends and family members, resource acquisition, and lifestyle. They must negotiate and balance sometimes challenging decisions and complex overlapping boundaries. But all these 'entrepreneurial lives' are distinct and exciting in their own personal journeys.