

# LEARNER'S GUIDE

## *CRAFT PERSONAL ENTREPRENEURIAL STRATEGY*

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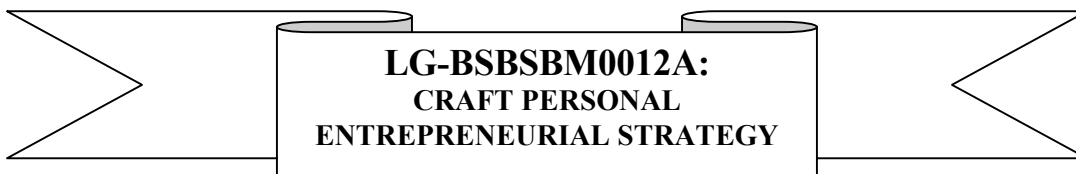
**Learning Management Services Department**  
Gordon Town Road  
Kingston 7  
Jamaica W.I.

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## INTRODUCTION

### Welcome

Welcome to the Learner's Guide for Unit of Competency "**Craft Personal Entrepreneurial Strategy**". This is just one of a number of Learner's Guides produced for the Craft Skills stream of the Business Services Industry, and it is designed to guide you, the learner, through a series of learning processes and activities that will enable you to achieve the specified learning outcomes for the competency unit.

The content of this guide was developed from the Competency Standard **BSBSBM0012A**, which is one of the basic building blocks for the National Vocational Qualification of Jamaica (NVQ-J) certification within the industry. Please refer to your *Learner's Handbook* for a thorough explanation of standards and competencies, and how these relate to the NVQ-J certification.

You are also advised to consult the Competency Standard and Assessment Instrument for a better understanding of what is required to master the competency.

### This Competency Unit

"**Craft Personal Entrepreneurial Strategy**" addresses the knowledge and skills requirements for effectively crafting personal entrepreneurial strategies. There are four main areas or elements:

- Element 1: Demonstrate Knowledge of the Nature of Entrepreneurship
- Element 2: Identify and Assess Entrepreneurial Characteristics
- Element 3: Develop Self-Assessment Profile
- Element 4: Craft an Entrepreneurial Strategy

As you go through each element, you will find critical information relating to each one. You are advised to study them carefully so that you will be able to develop the necessary knowledge, skills and attitudes for crafting personal entrepreneurial strategies.

**Before you start**

Before you start this Learner's Guide, you need to:

- a. Obtain a *Learner's Logbook*. You will use it to record evidence of your new skills/competence. As you demonstrate your new skills, record your activities and have your learning facilitator sign off on them. This will allow you to provide evidence of your competence when you are being assessed against the competency standard.
- b. Ensure that you have access to the facilities and equipment necessary for learning.
- c. Ensure that your learning resources are available.
- d. Ensure that you are wearing suitable clothing, that tools and equipment are safe, and that the correct safety equipment is used.
- e. Plan your learning programme (see below)
- f. Understand how to use this Learner's Guide (see below)

**Planning your learning programme**

programme as it will help you to think about the knowledge and skills needed to demonstrate competency in this unit. As you go through the checklist, you will be able to find out what elements you have already mastered which ones you will need to pay more attention to as you go through the learning process.

To complete the checklists, simply read the statements and tick the 'Yes' or 'No' box.



**SELF-ASSESSMENT CHECKLIST  
- Craft Personal Entrepreneurial Strategy**

<b>Element 1</b>	<b>Demonstrate Knowledge of the Nature of Entrepreneurship</b>	<b>Yes</b>	<b>No</b>
1.	I can define clearly the concepts associated with entrepreneurship	( )	( )
2.	I can identify and explain the factors, which influence entrepreneurship inside and outside of Jamaica	( )	( )
3.	I can clearly explain the importance of entrepreneurship to economic development and employment	( )	( )
4.	I can present in an appropriate format the findings of research conducted on entrepreneurial ventures and successes in Jamaica	( )	( )
5.	I can state correctly differences between wage employment and entrepreneurial ventures	( )	( )
<b>Element 2</b>	<b>Identify and Access Entrepreneurial Characteristics</b>	<b>Yes</b>	<b>No</b>
1.	I can carry out relevant research and identify required entrepreneurial characteristics	( )	( )
2.	I can assess and rank entrepreneurial characteristics identified	( )	( )
3.	I can correctly demonstrate an understanding of the process and discipline that puts an individual in charge of evaluating and shaping choices and initiating action that makes sense	( )	( )
4.	I can identify factors which will help an entrepreneur to manage the risk and uncertainties of the future while maintaining a future-orientated frame of mind	( )	( )

<b>Element 3</b>	<b>Develop Self-Assessment Profile</b>	<b>Yes</b>	<b>No</b>
1.	I can identify and properly use self-assessment tools/methods to identify personal entrepreneurial potential	( )	( )
2.	I can demonstrate the ability to apply creativity and problem-solving techniques and principles to solve business-related problems	( )	( )
3.	I can obtain appropriately feedback from others for the purpose of becoming aware of blind spots/reinforcing or changing existing perceptions of both strengths and weaknesses	( )	( )
<b>Element 4</b>	<b>Craft an Entrepreneurial Strategy</b>	<b>Yes</b>	<b>No</b>
1.	I can develop a profile of the past which includes accomplishments and preferences in terms of life and work styles, coupled with a look into the future and an identification of what I would like to be doing	( )	( )
2.	I can determine accurately, the level of: commitment determination and perseverance; orientation towards goals; ability to take initiative and acceptance of personal responsibility; recognition of management competencies and identification of areas for development	( )	( )
3.	I can develop guidelines to obtain feedback which is solicited, honest, straightforward and helpful, but not all positive or negative, and in writing, to facilitate reviews	( )	( )
4.	I can develop a framework and process for setting goals, which demands time, self-discipline, commitment, dedication and practice	( )	( )
5.	I can establish goals that are: specific and concrete, measurable relate to time, realistic and attainable	( )	( )
6.	I can establish priorities, including identification of conflicts and trade-offs, and how these may be resolved	( )	( )

<b>Element 4 Craft an Entrepreneurial Strategy (cont'd.)</b>		<b>Yes</b>	<b>No</b>
7.	I can identify potential problems and obstacles that could prevent goals from being attained	( )	( )
8.	I can identify specified action steps that are to be performed in order to accomplish goals	( )	( )
9.	I can indicate the method by which results will be measured	( )	( )
10.	I can establish milestones for reviewing progress and relate these to specific dates on a calendar	( )	( )
11.	I can identify sources of help for obtaining resources	( )	( )
12.	I can demonstrate evidence of the ability to review process and periodically revise goals	( )	( )

How did you do?

If you ticked all or most of the ‘Yes’ boxes then you might not need to go through the entire guide. Ask your learning facilitator to assist you in determining the most appropriate direction for this competency.

If you ticked a few of the ‘Yes’ boxes or none at all then you should work through all of the guide, even though some of the material may be familiar to you.

Plan your learning based on your answers. Be sure to involve your learning facilitator in the planning process.

## How to use this Learner's Guide

This Learner's Guide is designed to assist you in working and learning at your own pace.

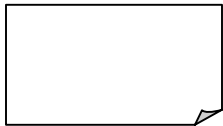
We suggest that you:

- Go through the sections/elements as they are presented (starting at Section 1)
- Check your progress at each checkpoint to ensure that you have understood the material
- Observe the icons and special graphics used throughout this guide to remind you of what you have to do and to enhance your learning. The icons and their meanings are as follows:



### Complete Assessment Exercise

This exercise requires you to think about the knowledge and skills that you have or will develop in this competency unit.



### Definition Box

Words/phrases are defined or explained in this box. The words/phrases being explained are in bold print.



### Checkpoint

This denotes a brain teaser and is used to check your understanding of the materials presented. No answers are provided for the questions asked.



### Activity

This denotes something for you to do either alone or with the assistance of your trainer/supervisor.



### Reference

Points you to the reference materials and other support documents or resources used in compiling the unit content.



- Ask your learning facilitator for help if you have any problems with the interpretation of the contents, the procedures, or the availability of resources.
- Complete each activity as you come to it. If the activity requires you perform an actual task, be sure to tell your learning facilitator when you get to that activity so that he/she can make any arrangements, if necessary.
- Get your learning facilitator to sign and date the Learner Logbook when you have completed an activity.
- Complete the self-assessment checklist at the end of each section or element.

When you have worked through all elements of the guide, and when you can tick every 'Yes' box, you are ready for assessment and may ask your learning facilitator to assist you in making the arrangement to have your performance assessed.

### **Using the Computer and Other Resources**

Where your activities refer you to the library, computer and Internet resources, ask your learning facilitator to assist you with locating these resources. If you are getting your training in an institution, there may be a library and a computer laboratory. If this is not the case, visit the local library and find out what resources are available.

If you are new to the computer and the Internet, someone in the computer room should be able to show you how to use these resources.

Please note that in many of your activities you have been referred to information on the Internet. This is because the Internet has a vast amount of information that can help you in acquiring the particular competencies. We would like to advise you, however, that we cannot guarantee that all the sites will be available when you need them. If this happens, ask your learning facilitator to assist you with locating other sites that have the information you require.

### **Method of Assessment**

Competency will be assessed while work is being undertaken under direct supervision with regular checks, but may include some autonomy when working as a team. You are advised to consult the associated competency standard for further details relating to the assessment strategies.

You may now start your learning. Have fun while you work!

**ELEMENT 1****THE NATURE OF ENTREPRENEURSHIP****LEARNING OUTCOMES**

As you go through this Element, it will provide you with the knowledge, skills and attitudes to enable you to understand the nature of entrepreneurship. Your learning facilitator is there to assist you with the various activities, so that on completion you will be able to:

1. Define entrepreneurship and its related concepts
2. Identify and explain the factors which influence the rise of entrepreneurial ventures inside and outside of Jamaica
3. Explain the importance of entrepreneurship to economic development and employment
4. Present the findings of research conducted on entrepreneurial ventures and the success inside and outside of Jamaica
5. State the differences between wage employment and entrepreneurial ventures.

**DEFINE ENTREPRENEURSHIP AND RELATED CONCEPTS**

Entrepreneurship is that motivating spirit that causes someone to establish goals and do everything to accomplish the goals against all odds.

It is the driving spirit that causes a person to get involved in a variety of activities that lead to the establishment of a business venture.

Entrepreneurship causes people to get ideas that help to improve:

- the jobs they do
- the products they make
- the service they provide

**Entrepreneurship** - also a process of identifying and starting a business venture, sourcing and organizing the required resources, and taking on both the risks and rewards associated with the venture.

Entrepreneurship has taken on new meaning and impetus today as more persons are becoming disillusioned about working for others.



**Refer to:** Entrepreneurial Skills Level I, HEART Trust/NTA (March 2001), (pages M1-4 to M1-9 – Case Studies: “The Boy with the Hot Dogs” and “Spice Mike”)

Entrepreneurship and Venture Management – Text and Cases (1985) (Chapter 1) Olm, Kenneth W. and Eddy, George G, Charles E. Merrill Publishing Company, Abell and Publishing Company; Columbus, Ohio, CEFE Manual and CD

You now have some idea of what entrepreneurship is all about. You have also seen the concept at work in the illustrations provided by the case studies. Based on the experience of “The Boy with the Hot Dogs” and “Spice Mike”, you will no doubt understand these varied, yet closely related meanings of the term entrepreneur:

**Entrepreneur** - Someone who sees an opportunity to make a profit, is willing to risk his/her money to gain that profit;  
 Someone who sees an opportunity to create something new or improve on something and is willing to take necessary action to turn that idea into something real.

In a very practical sense, an entrepreneur can be viewed as someone who establishes a business to cater to the needs, wants, wishes and problems of people.

Entrepreneurs are able to see business opportunities that other persons overlook. The entrepreneur sets up a business, gets the needed resources, puts his or her money at risk and reaps the profits or stands the losses of the business.

Persons in favour of a market economy view entrepreneurs as the strongholds of industry, i.e. the “movers” and “shakers”, who disrupt the status quo in a positive way.



**ACTIVITY**

- Discuss with your learning facilitator the nature of entrepreneurship in relation to the case studies and answer the questions on page M1-7 of the reference document mentioned above  
 Your learning facilitator will lead you in the exercise on page M1-9
- After identifying the entrepreneurial characteristics of the characters in the Case Studies, rank them in order of importance
- Retain the cards with your findings for use later.



**CHECKPOINT**

Do you think a lazy, demotivated person would be a suitable candidate to become an entrepreneur?

Could Jamaica survive without the input of entrepreneurs?

## Concepts related to entrepreneurship

Here are some of the concepts related to entrepreneurship which you will need to understand.

**Market** - traditionally a physical space in which people conduct business on a face-to-face basis.

Other definitions of market are:

- A building or place where people meet to buy and sell their products or services
- The process of exchange that enables buyers and sellers to meet
- Potential customers sharing a particular need or want (Phillip Kotler)

With the advancement of technology and the introduction of the Internet, e-commerce has been revolutionizing the way in which business is being conducted internationally. Increasingly, business is being done via the Internet and Telemarketing. As a result, the terms “**market**” and “**marketing**” need to be redefined to remove the notions of physical boundaries and personal contact.

**Market mix** - the operation of a market as directed by the interaction of the following four components: Product, Price, Promotion and Place.

The entrepreneur has to decide which to emphasize in his business, but must ensure that all are at work



*Refer to:* The “Mini Market” Game on the CEFE CD



### **ACTIVITY**

- Discuss with your learning facilitator the concepts relating to entrepreneurship.
- Work in group and participate in the abovementioned game. Your learning facilitator will lead you in the exercise.

## The Business Environment

The business environment is the context in which business will operate or compete. The term environment is multi-dimensional and comprises all the elements in society that will affect a business venture and cause it to succeed or fail.

Here are three (3) components of the business environment:

- Physical and natural resources
- Political environment
- Economic environment



**Refer to:** Entrepreneurial Skills Level I, HEART Trust/NTA, (March 2001), pages M4-12 to M4-23 for further details on the components of the business environment and other entrepreneurial concepts

**Environmental Scanning** - a process by which an entrepreneur 'takes a scan' or evaluates the impact of environmental forces on the viability of a prospective business.



### **ACTIVITY**

Identify and discuss the following points in group:

- Other important components of the business environment and the impact of these on small business enterprises
- The role of demographic trends in the business environment
- Research and discuss other important concepts related to entrepreneurship

Ask your learning facilitator to guide you.

## FACTORS WHICH INFLUENCE THE RISE OF ENTREPRENEURSHIP INSIDE AND OUTSIDE OF JAMAICA

Traditionally, entrepreneurial activities arose out of the need to survive. Persons who had limited skills “tried their hands” by buying and selling items, or by creating and selling goods or services in order to make a profit from which they meet their personal and/or family needs. Today, factors other than mere survival are influencing the rise of the entrepreneurial spirit.

Some of the factors which influence entrepreneurship include:

- Economic changes
- Globalization and increased competition
- Advancing technology
- New market niches

**Market niche** - small income-earning segment in an industry that other firms (larger) overlook or ignore.

As technology advances, new needs arise which are not being filled by larger firms. It is entrepreneurs who identify these unattended needs and fill them to create a market niche.

Economic downturns in the 1980s and 1990s caused many companies to downsize and lay off numerous employees. This gave rise to many small businesses as individuals took their redundancy pay and invested it into business ventures.



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M1-13 to M1-15 for additional information on the factors that influence entrepreneurship.



### ACTIVITY

- Review the latest labour force survey conducted by the Statistical Institute of Jamaica to find out the percentage of persons employed by the small business sector. Has this percentage increased or decreased since 1992? Your learning facilitator will guide you in doing this.
- Discuss in groups with guidance from your learning

Globalization, by its very nature, demands entrepreneurial behaviour. This world is now one big marketplace and so, factors such as speed and efficiency (doing/producing things faster, better and less expensively) are critical survival factors.

The improvements and cost reductions in computer technology and the advent of the internet have opened the way for small businesses to compete with larger companies. Many home-based businesses have accessed the same technologies used by larger companies and have taken away segments of the market.



### ***CHECKPOINT***

What are some of the customer needs that arose when cellular phones were introduced into Jamaica?

Did small businesses emerge to meet these needs?

## **THE IMPACT OF ENTREPRENEURSHIP/ITS IMPORTANCE TO ECONOMIC DEVELOPMENT AND EMPLOYMENT**

Entrepreneurial activities in Jamaica and throughout the world have made significant contributions to the growth of the economies of those nations. Although it is difficult to quantify the precise amount of contribution that entrepreneurship makes to Caribbean economies owing to insufficient and incomplete data, it is generally accepted that entrepreneurship has benefitted these economies in the following ways:

- Job creation
- Innovation e.g. technology development
- Increase in Gross Domestic Product (GDP)
- Foreign exchange benefits
- Import substitution/utilization of local raw materials
- Development and improvement of local industries

**Gross Domestic Product (GDP)** – the total value of goods and services produced in a country within any given period.

Many governments are now recognizing that entrepreneurial activities are important for the building of a strong economy; without these activities a country could stagnate and die. It is the:

- creativity
- innovativeness; and
- leadership that entrepreneurs provide which allow countries to effectively use their resources to produce goods and services

A country that has a lot of resources will produce very little if its people are not entrepreneurial enough to put those resources to use. This largely explains why some countries which have little resources (for example, Singapore, which is approximately the size of Saint Catherine), have been able to produce more than other countries which have large quantities of resources. The entrepreneur, therefore, makes a big difference to the wealth of a country.

The entrepreneur does not wait for things to happen, *but makes things happen.*



**Refer to:** Recapturing The Spirit of Entrepreneurship (Parts 1 and III – the contribution of Cuban migrants to the US economy and Japanese entrepreneurs to the economy of Japan), Gilder George, 1992 - ISC Press, San Francisco, California.

**SUCCESSFUL ENTREPRENEURS – INSIDE AND OUTSIDE OF JAMAICA**

**A Successful Entrepreneur** - A business person who takes moderate risks, that is, he/she will seek to:

- determine the risks involved in establishing and maintaining a business venture
- try to control these risks
- compare and contrast the benefits and the risks, then; decide if it is worth starting the business.

Here is a list of five (5) successful Jamaican Entrepreneurs and the business establishments, which they founded:

- |   |                |   |
|---|----------------|---|
| * | Butch Stewart  | Air Jamaica, Appliance Traders Limited (ATL), Sandals Hotel Chain and Breezes |
| * | The Issas      | Super Clubs, Hedonism I, II and III   |
| * | Danny Melville | Tropical Battery  |
| * | The Matalons   | Mechala Group – Shoppers Fair, WICHON   |
| * | Wayne Chen     | Super Plus  |



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M1-18 and M1-23 to M1-24, and learn about the contribution of entrepreneurs to society and other successful Jamaican Entrepreneurs.





**ACTIVITY**

- Read and discuss with your learning facilitator your research findings on the impact of entrepreneurship on the economies of Jamaica, the USA and Japan.
- Contact and arrange an interview with two of the successful Jamaican entrepreneurs. Seek guidance from your learning facilitator.
- Find out details about: how they started the business, some of the problems that they had experienced initially, how they were able to overcome them and their present successes and contribution to the economy
- Relate your findings to all the information which you have founded on entrepreneurship and present your group’s report.



**CHECKPOINT**

Have entrepreneurs in the two developed countries mentioned above and Jamaica made a great impact on their societies? In what ways have they contributed?

**DIFFERENCES BETWEEN WAGE EMPLOYMENT AND ENTREPRENEURIAL VENTURES**

**Traditional Employment**

Traditional employment is one in which:

- An individual works for someone else, an organisation, company or industry.
- The individual usually works an eight-hour day, giving his or her effort to the achievement of someone else’s goals or dreams
- The worker is given a set of job tasks that he or she is to complete on a daily, weekly or monthly basis
- Such a worker will be paid a daily, weekly, fortnightly or monthly wage for doing this job.

Some persons who are employed in traditional jobs may receive other benefits, called **allowances**, along with their salary. Some of these benefits are:

- ❖ clothing allowances
- ❖ entertainment allowances

- ❖ material and equipment allowances
- ❖ housing allowances
- ❖ insurance - life, health allowances
- ❖ education grant allowances



**Refer to:** Entrepreneurial Skills Level 1 HEART Trust/NTA (March 2001), pages M1-19 to M1- 21 for further information

**Some benefits of wage employment**

You would have noted by now that successful entrepreneurs are special people in that they are willing to give up the security of a regular pay cheque for an uncertain income. It was previously discussed that wage employment offers the worker many advantages, including the following:



- a secure monthly/weekly income
- the wage earner has no personal financial investment in the business and no mandatory commitment to the company.
- he/she, therefore, suffers no personal loss (except loss of income) should the business be unsuccessful.



**ACTIVITY**

From your further reading and in collaboration with your learning facilitator:

- Discuss any additional benefits that workers receive from wage employment.
- Compile a comprehensive list of the advantages and disadvantages of traditional wage employment to the worker.

**Some benefits of entrepreneurship to the entrepreneur**

Now, let us examine some of the benefits that the entrepreneur derives from having his/her own business.

As identified by Zimmerer and Scarborough (1996), these include:

- Opportunity to have control over his/her destiny
- Opportunity for self-actualization i.e. to realize his/her own potentials – personal goals, dreams, ambitions, life styles, etc.
- Opportunity to contribute to society
- Opportunity to gain recognition for his/her contribution..



**Refer to:** Entrepreneurship and New Venture Formation – (Chap. 1), Zimmerer, Thomas W. and Scarborough, Norman S. (1996) , Prentice Hall Inc., A. Simon and Schuster Co.

### Some disadvantages of entrepreneurship to the entrepreneur

Entrepreneurs, on the other hand, are:

- Constantly under pressure in the start-up and survival stages of the business, as they have invested much time and personal resources
- Forced to use their personal assets (e.g. home) as collateral for securing a loan to start the business, and so, entrepreneurs have placed their personal possessions and lifestyles at risk.
- Also, income is very uncertain in the early stages of the business and several environmental factors can affect the projected earnings of the company.

#### **ACTIVITY**



- Identify from your readings and discuss in groups some additional benefits that entrepreneurs enjoy from having their own business
- Compare the advantages and disadvantages of: wage employment on the one hand and entrepreneurship on the other
- Discuss with your learning facilitator why you think increasing numbers of persons still crave to have their own business despite all the risks of entrepreneurship

**READY TO PROVE YOUR COMPETENCE?**

Now that you have completed this element, see if you have fully grasped all the components by doing the following self-assessment:

<b>Checklist 1</b>		<b>Yes</b>	<b>No</b>
1.	I can define concepts associated with entrepreneurship	( )	( )
2.	I can identify and explain factors which influence entrepreneurship in and outside of Jamaica	( )	( )
3.	I can explain the importance of entrepreneurship to economic development and employment	( )	( )
4.	I can present, in an appropriate format, the findings of research conducted on entrepreneurial ventures and successes in Jamaica	( )	( )
5.	I can state the differences between wage employment and entrepreneurial ventures	( )	( )
<b>Checklist 2</b>		<b>Yes</b>	<b>No</b>
1.	Concepts associated with entrepreneurship are defined	( )	( )
2.	Factors which influence entrepreneurship in and outside of Jamaica are identified and explained	( )	( )
3.	The importance of entrepreneurship to economic development and employment are explained	( )	( )
4.	Findings from research conducted on entrepreneurial ventures and successes in Jamaica are presented in an appropriate format	( )	( )
5.	The differences between wage employment and entrepreneurial ventures are stated clearly	( )	( )

## **ELEMENT 2 - IDENTIFY AND ASSESS ENTREPRENEURIAL CHARACTERISTICS**

### **LEARNING OUTCOMES**

As you go through this element, it will provide you with the knowledge, skills and attitudes to enable you to identify and assess your entrepreneurial characteristics. Your learning facilitator is there to assist you with the various activities, so that on completion you should be able to:

1. Understand and use self-assessment tools and methods to identify your personal entrepreneurial characteristics
2. Research, identify and rank personal entrepreneurial characteristics
3. Outline the process and discipline that enable self-evaluation, the shaping of choices and initiation of effective action
4. Apply creative and problem-solving techniques and principles to solve business-related problems
5. Use feedback from others to identify your “blind spots” and assess your strengths and weaknesses and modify existing perception

### **IDENTIFY ENTREPRENEURIAL CHARACTERISTICS**

Now that you know

- who entrepreneurs are
- what entrepreneurship entails and the demands of the trade/occupation-

and you have actually met some real entrepreneurs – some highly successful ones too, you are well prepared to examine the characteristics and personality traits of this group of persons.



#### ***ACTIVITY:***

- Review the stories of the “Boy with the Hot Dogs” and “Spice Mike” in Case Studies 1 and 2. Relate the personalities of those characters to those of the successful entrepreneurs whom you actually interviewed and the first definition that you got for an entrepreneur.
- Think of five (5) or more outstanding qualities which both boys possessed and which you actually identified in the successful entrepreneurs whom you had interviewed
- List the qualities and discuss the terms that you use to express them with your learning facilitator

Numerous studies and investigations on the personality of entrepreneurs have led to several summaries of the characteristics and personality traits of these people.

To develop further understanding of the personal characteristics of entrepreneurs, read the following:



**Refer to:** Timmonds' listing of the Twelve Attitudes and Behaviours Most Common to Successful Entrepreneurs: Entrepreneurship and New Venture Formation by Thomas W. Zimmerman & Norman M. Scarborough (1996). Prentice Hall. Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M1-25 to M1-29

From your readings, as well as your personal observation of successful entrepreneurs, you should have detected the following ten (10) personal characteristics or competencies which are considered critical attributes that entrepreneurs must possess:

- Calculated risk-taking, tolerance of risk and uncertainty
- Self-confidence
- Demand for quality and efficiency
- Goal directed; an orientation towards the future
- Leadership and Team Management skills
- Creativity and problem-solving skills
- Opportunity Identification
- Persuasion and Networking
- Systematic Planning
- Commitment to contract

Let us examine briefly the role that six (6) of the abovementioned characteristics play in assuring the success of entrepreneurs:

### Calculated risk-taking

As mentioned earlier, the successful entrepreneur takes '**calculated risks**', that is, he/she takes a chance and embarks on the investment opportunity with the intention of realizing profits, but not without an "awareness of the likely consequences."

**Risk** - the degree of probability that the possible result of a particular course of action will occur.

As an entrepreneur, you will be at the helm of your business and you will be accountable for the success or failure of the business. The risks (financial, legal, etc.) of doing business will be yours, and you must embrace and manoeuvre through these risks in order to survive

The entrepreneur today faces an environment that is constantly changing, making it impossible to predict the exact outcome of a particular course of action. Risk is present when entrepreneurs know that the possible outcomes of certain actions could be success or failure, depending on the action selected, but are unable to fully determine or predict the exact result because of incomplete information. The fact that loss is possible makes the situation risky.



### ***CHECKPOINT***

What is the difference between risk and uncertainty?

Although entrepreneurs are risk-takers they are not likely to embark on a venture unless they know the risks associated with the venture and are confident that they control the risks to some degree. Usually, they will do a cost-benefit analysis of the situation to see if the benefits outweigh the costs or risks involved



*Refer to:* The “Ring Toss Game” on the CEFE CD



### ***ACTIVITY***

Join a group and participate in the “Ring Toss Game.”  
Your learning facilitator will lead you in the game

## **Self-Confidence**

Entrepreneurs have a great deal of confidence in their ability to succeed at what they do. This confidence is backed by positive actions that are necessary for ensuring success. You would have discovered that they are also:

- highly optimistic
- usually quick to assume personal responsibility for the success or failure of their ventures;
- They will, therefore, work hard and persevere to achieve their goals, despite any problems, which they may encounter.

## Creativity

Creativity is that quality which enables the entrepreneur to identify new and better ways of doing things. The entrepreneur gets ideas from:

- things and people around him/her
- problems that he/she or other persons encounter
- the news
- people, as he/she travels on a bus
- other sources

## Persistence

Entrepreneurs demonstrate persistence through their:

- willingness to work until a job is done, no matter how long it takes
- firm commitment to their goals
- strong determination to overcome any obstacles that they meet

It is also noteworthy that successful entrepreneurs will stick to a task until it has been completed, regardless of the challenges they face to complete the task.

## Demand for Quality and Efficiency

The role of the entrepreneur is to satisfy human needs and wants, or to provide solutions for people's problems. Therefore, the entrepreneur must/should:

- seek to provide high quality goods and services for his/her customers
- make efficient use of time and resources to reduce production cost, so that the benefits will be passed to his/her customers

To satisfy the demand for quality and efficiency, the entrepreneur should place emphasis on:

- selecting the right quality products or materials
- buying the correct quantity
- making timely purchases and;
- selecting the right vendors.



### ***CHECKPOINT***

How important is the observance of quality and efficiency to the success of an entrepreneur?



## Persuasion and Networking

Although entrepreneurs work for themselves, they do not always work by themselves. They need others to assist them either as employees or as associates. Entrepreneurs, therefore, need to network with:

- other entrepreneurs in their field of business
- government agencies
- non-governmental organizations (NGO's) and;
- private individuals.

They must develop skills of persuasion to assist them in achieving their goals of operating cost-efficiently and providing quality service in order to ensure maximization of profits.



**Refer to:** Entrepreneurship and Venture Management – Text and Cases (Chapt.1)  
Olm, Kenneth W. and Eddy, George G (1985.) Charles E. Merrill Publishing Co. A  
Bell and Howell Co., Columbus, Ohio

Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M1-26 to M27  
and M4-9 to M4- 24, to understand more about personal entrepreneurial characteristics.



### **ACTIVITY**

- Research and discuss in group the remaining four (4) personal characteristics. Ask your learning facilitator for help
- Compare the ten (10) personal entrepreneurial characteristics with the list of characteristics that you had prepared in Element 1



### **CHECKPOINT**

How did your earlier personal list of entrepreneurial characteristics compare with the ten (10) critical characteristics that were given to you?  
In what way does each of the personal characteristics contribute to the success of the entrepreneur and the business venture?

**READY TO PROVE YOUR COMPETENCE?**

Now that you have completed this element, see if you have fully grasped all the components by doing the following self-assessment.

<b>Checklist 1</b>		<b>Yes</b>	<b>No</b>
1.	I can identify self-assessment tools//methods to be used for personal entrepreneurial characteristics	( )	( )
2.	I understand how to research, identify and rank personal entrepreneurial characteristics	( )	( )
3.	I can outline the process and discipline for self-evaluation and effective action	( )	( )
4.	I know how to apply creative and problem-solving techniques and principles to solve business-related problems	( )	( )
5.	I understand how to use feedback from others to identify “blind-spots” and assess strengths and weakness and modify perception	( )	( )
<b>Checklist 2</b>		<b>Yes</b>	<b>No</b>
1.	Tools/methods used for personal entrepreneurial characteristics are identified	( )	( )
2.	Entrepreneurial characteristics are researched, identified and ranked	( )	( )
3.	Process and discipline for self-evaluation and effective action are outlined	( )	( )
4.	Creative and problem-solving techniques and principles are applied to solve business-related problems	( )	( )
5.	Feedback from others are used to identify “blind-spots” and assess strengths and weaknesses and modify perceptions	( )	( )

## **ELEMENT 3 - DEVELOP SELF-ASSESSMENT PROFILE**

### **LEARNING OUTCOMES**

As you go through this element, it will provide you with the knowledge, skills and attitudes to enable you to develop your self-assessment profile. Your learning facilitator is there to assist you with the various activities so that on completion, you will be able to:

1. Identify and use self-assessment tools and methods to assess your personal entrepreneurial potential
2. Obtain feedback from others to identify your “blind spots” and assess your strengths and weaknesses
3. Apply creativity/problem-solving techniques and principles to solve business-related problems

### **HOW TO IDENTIFY AND ASSESS YOUR ENTREPRENEURIAL POTENTIAL**

Taking on the challenge and responsibility of starting and running your own business venture is a mammoth task that involves, among other things:

- input of your personal financial resources
- time
- energy

You do not want to start something for which you do not have the requisite:

- skills
- knowledge
- resources
- support with which to follow through

Hence, it is very important that you are sure that you have what it takes to stand a good chance of succeeding in the business before you start.

Before launching into an entrepreneurial venture, all prospective entrepreneurs should first take stock or personal inventory of their interests, values, strengths and weaknesses in four (4) broad areas, namely, their:

- real interests
- personal qualities/traits, aptitudes and abilities
- business skills
- personal finance, family and lifestyle

The general purpose of this self-assessment is to determine whether there is an appropriate match between the:

- skills
- talents
- resources that the entrepreneurs possess and what the proposed business requires for success.

**IDENTIFYING AND USING SELF-ASSESSMENT METHODS/TOOLS**

Self–assessment tools and methods are varied, but share one critical element, that of feedback. They include:

- One-to-one discussions done in a frank, honest and constructive manner
- Group discussions with mature, sensitive individuals who know you well and whom you trust
- Personal checklists, quizzes, etc. for you to use and rate yourself in different areas
- Questionnaires given to persons (friends, family, boss customers) who know you well. You need to ask them to give you truthful feedback on questions related to your personal qualities, characteristics, etc. and to indicate to you their views regarding your strengths and weaknesses.

The survey could take the form of a “Way You See Me” Questionnaire, in which you ask persons to indicate how well a series of words apply to you. These words would include the characteristics and personal qualities identified for entrepreneurs, for example:

- Self-confident, persistent, creative, energetic
- Leader, open to criticism
- Responsible, mature, ambitious
- Goal-directed, etc.

You may use an assessment scale such as:

Not at all	Slightly	Moderately	Rather Well	Extremely Well
------------	----------	------------	-------------	----------------

State three (3) of your specific strengths and three specific weaknesses

Strengths	Weaknesses
1	1
2	2
3	3



**ACTIVITY**

- Ask your learning facilitator to assist you in locating additional information on self-assessment tools and methods.
- Evaluate and discuss with your learning facilitator the advantages/disadvantages of the different tools/methods, including the P.E.C.S. Questionnaire.



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M2-49 to M2-50 and read the P.E.C.S. Book questionnaire in the CEFE Training Manual

**OBTAINING FEEDBACK TO IDENTIFY “BLIND” SPOTS AND ASSESS STRENGTHS AND WEAKNESSES**

**Obtaining feedback**

**Feedback** – any comment made by the recipient of a message to the sender of the message.

Obtaining feedback is vital to assessments and readjustments, whether one is looking at personal strengths and weaknesses, or the strengths and weaknesses of decisions that have been made.

For the decision-making process, feedback is that part of the monitoring process that allows entrepreneurs to evaluate the soundness of decisions and take corrective actions, where necessary.

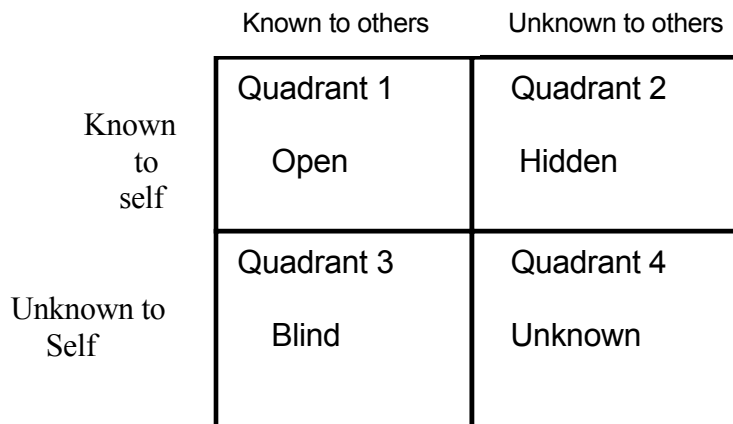
Self-assessment also needs feedback. Outlined below are some of the benefits that you may expect to derive from feedback.

**Benefits of feedback:**

It helps you to:

- reinforce your strengths
- change any existing negative perception of yourself
- increase your chances of becoming a successful entrepreneur

The Johari Window Model, developed by Joseph Luft and Harry Ingham, examines, in part, **what people know and don’t know** about themselves. The model shows four quadrants: **Open, Blind, Hidden** and **Known** (see diagram below).



The Johari Window

- The **Open** quadrant refers to information that we know about ourselves and which others know about us.
- The **Blind** quadrant refers to information known to others, but unrecognized by ourselves.

- The **Hidden** quadrant contains information that we know, but do not wish to share with others (our secrets), and
- The **Unknown** quadrant contains the material unknown to ourselves and unknown to others.



**Refer to:** Entrepreneurial Skills Level 1, HEART Trust/NTA (March 2001), pages M2-44 to M2-48 for details of how the Johari Window Model is used to do self-assessment and the “Self Disclosure Game” from the CEFE manual.  
 Richard, L (2003). Management –6<sup>th</sup> Ed. Thompson, USA



**ACTIVITY**

- Work in group and participate in the “**Self-Disclosure Game.**” Your learning facilitator will provide the materials and lead you in the Game.
- Keep the information gathered from the exercise for use later when doing an assessment of your personal qualities, traits and abilities
- Discuss how the four main areas identified by the Johari Window Model can affect an entrepreneur and the entrepreneurial venture positively and negatively

As potential entrepreneurs, you should seek to get a true picture of your strengths and weaknesses by obtaining information about yourself that you are not aware of. That is, you should seek to find out what lies in the **Blind** quadrant. You may do this by conducting a survey on yourself.



**CHECKPOINT**

- What do the four (4) quadrants of the Johari Model represent?
- How can this model provide you with effective feedback to enable you to properly assess your entrepreneurial capabilities?



***CHECKPOINT***

What other self-assessment tools and methods have you identified?

**USING SELF-ASSESSMENT TOOLS TO IDENTIFY ENTREPRENEURIAL POTENTIAL**

You will be required to select and use the self-assessment methods/tools that you have learnt to assess your entrepreneurial potential as you go more into this element.

**Areas to be examined by the self-assessment**

It was already indicated to you that in conducting your self-assessment exercise, you need to examine four (4) main areas, namely, your:

- Real interests
- Personal qualities or characteristics
- Personal finance, family and lifestyle
- Business skills, attitudes and experience

***Real interests***

As a prospective entrepreneur, think of why you would want to have your own business i.e. what is the motivating force for your wanting to be your own boss?

**Motivating Force** – an inner drive that makes you willing to exert high levels of effort in order to reach specified goals on the basis that you will satisfy some individual need.

To be successful, you must be committed to the decision to launch out on your own and want the venture badly enough to work long hours, without knowing how much money you will eventually earn.



***ACTIVITY***

Discuss with your learning facilitator why you really want to become an entrepreneur and what it is that motivates you in this direction.

Entrepreneurs have been classified into the following five (5) categories based on their reasons for starting their own businesses:

- Idealist** – Enjoys working on something new, creative and personally meaningful
- Optimizer** – Gets personal satisfaction from being an entrepreneur
- Sustainer** – Wants to balance work and personal life interests
- Hard Worker** – Enjoys working, putting in long hours and being dedicated to build a profitable enterprise
- Juggler** – Enjoys having the opportunity to handle everything; being a jack of all trades



**CHECKPOINT**

Which of the five (5) categories represents your reason for wanting to become an entrepreneur?

***Personal qualities and traits, aptitude and abilities***

It has been established that most entrepreneurial characteristics are interrelated and that each is associated with specific personality traits.

**Traits** – distinguishing features or characteristics of a person, that are genetically determined

You will need to assess your personal qualities or characteristics (what type of person you are) and your personal business attributes or entrepreneurial characteristics to determine your areas of strength and weaknesses. This is necessary in order to assess your sustainability for the venture that you are considering.

**Aptitude** – natural ability, inclination or potential that a person has, to perform certain tasks or activities well.

**Ability** – what you can do, as observed in your actual performance of a task, job or skill.

In examining your personal qualities, traits, aptitude and abilities, you will need to explore among other elements, your:

- Human relations or people skills
- Self-concept
- Self-esteem
- Personality



- Character – values, morals, attitudes, personal ethics, etc.
- Motivation
- Creativity



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M2-1 to M2-50 and read more about personal traits, abilities, etc. CEFE Training Manual – Exercises dealing with personal traits, aptitude, abilities, etc.



**ACTIVITY**

Conduct further research and discuss the findings in regard to the various components of personal qualities, traits, etc. with your learning facilitator.

**Human Relations or People Skills**

**Human Relations** – the art of understanding people and their behaviour and dealing with them successfully.

There are several definitions of the term human relations, but what they all seem to have in common is the notion that it deals with interpersonal relationships or interactions that take place among people in groups of two or more.

Human Relations as described by Robert M. Fulmer in the revised edition of his book “Practical Human Relations (1983), is also “the process of dealing with people in such a way to accomplish the goals of both the motivator and those being motivated.”

**Interpersonal Competence** - the ability to work well with others, understanding their needs, motivate them and negotiate with them and delegate responsibilities to them

Interpersonal relationships fulfill an innate desire in human beings, as people normally enjoy living together, being identified with and interacting in groups



**ACTIVITY**

- Think of some of the groups in which people are involved for different reasons, for example, for:  
FUN - picnics, concerts, etc.  
STATUS/LOBBY- Kiwanis, Lions Club, PSOJ, etc.
- Discuss in groups and with your learning facilitator the purpose and importance of people’s involvement in groups.

Relate this to the entrepreneur.

It is also acknowledged that because groups are the primary form of human interaction, relationships between people are vital to determining the individual’s viability.

As an entrepreneur, good human relations or interpersonal skills become even more critical as your interactions with your customers will impact positively or negatively, not only on you, but more important, on your business.



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-6 to M2-7 for some guidelines on how to deal with people effectively



**CHECKPOINT**

What is human relations?  
How important are interpersonal relationships to an entrepreneur’s success?

The “**Self**” – Who Am I?

“**Self**” - the sum total of your life experiences: past, present and future, positive and negative, which you regard as uniquely you!

Any attempt to examine interpersonal relationships must deal with the critical element of **self**, “Who am I?”, as we have to first come to terms with the complexities of our own individuality - physically, psychologically, emotionally and socially, before we can attempt to understand these various dimensions of another person.

“Self” is influenced by many factors, the most widely acknowledged ones being:

- Environment
- Heredity
- Culture



**ACTIVITY**

Do further research and discuss in group with the guidance your learning facilitator how the three (3) factors mentioned impact on “self” and affect how people relate in groups

“Self” may be broken down into these different dimensions:

- The physical or material self - comprising an individual’s physical structure and the material possessions that he/she has
- The psychological self - the inward feelings, thoughts, ideas, including the individual’s self-concept, self-esteem and what motivates him/her to pursue particular goals.
- The emotional self - how the person thinks and deals with his/her emotions.

**Self-concept** - a mental picture of how a person sees himself/herself in the four (4) dimensions of self

Some persons have an accurate or positive self-concept, that is, a true picture of their aptitudes, abilities, personal strengths and weaknesses

Others have a poor self-concept – they feel personally inadequate and have doubts about their abilities. This lack of confidence can serve as a great retarding force and can actually prevent individuals from realizing their true potentials



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M2-14 to M2-15

Note some of the ways in which self-concept impacts on the behaviour of individuals. A positive self-concept helps persons to:

- Accept failures more easily and they are more likely to say: “I have failed”, instead of: “I am a failure.”
- Become less dependent on others for approval. They are comfortable with their skills and abilities and are able to provide themselves with realistic feedback and reinforcement for their actions
- Be less anxious and hold fewer prejudices regarding others: also, we accept others favourably, when we like our self-concept.

**Self -Esteem** - the degree to which a person likes or dislikes himself/herself

A person’s conclusion about his/her self-esteem usually comes about as a result of an evaluation which the individual makes of himself/herself, often in comparison with another person or with other persons, in relation to his/her:

- performance
- capabilities

Sometimes such assessment is inaccurate, however, in the mind of the person who believes it, it is always accurate.

A few points for you to note in regard to self-esteem are:

- Individuals with high self-esteem believe they possess the ability they need in order to succeed, and will take more risks in job selection
- Persons with low self-esteem are more easily influenced by external factors and are more dependent on receiving positive evaluations from others.



**CHECKPOINT**

How important do you consider high self-esteem to the success of an entrepreneur?

A positive self-concept and high self-esteem are, no doubt, critical components of the self-confidence that is exuded by most successful entrepreneurs.



**ACTIVITY**

- Do your own assessment of your human relations skills, your aptitude, abilities, self-concept and self-esteem.
- Ask your peers to do a similar assessment of you, using the Johari Window Model technique. Your learning facilitator will guide the activity.
- Discuss with your learning facilitator, your rating by yourself and your peers, in all the different areas mentioned, also, what steps you may take to deal with any negative aspects

“**The Ideal Self**” - what a person would rather be

The **ideal self** includes:

- How you would like other people to view you and behave towards you
- The things you would like to do
- The social, as well as career roles that you would like to perform



*Refer to:* Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-16 to M2-21



**CHECKPOINT**

How far from your “**Ideal Self**” are you, based on the objective assessment of you so far?

**Personality**

**Personality** - the outward manifestation of the interaction among the different dimensions of **self**

Personality is another important personal trait that helps entrepreneurs to succeed in business.

Personality accounts for the distinctive:

- styles of behaviour
- thoughts
- feelings that make an individual unique

For example, we are attempting to distinguish people into categories according to personality traits, when we describe them as:

- reticent
- gregarious
- loyal, or
- assertive

Personality features extensively in everyday life. A positive, pleasant or dynamic personality is oftentimes a valuable asset for many jobs. It can also act as a powerful force in business, politics, religion and other spheres.

Traits are the blocks on which personality is built. They define one individual from another.

**Personality Factors**

**Personality Factors** - the different segments into which personality is broken down. Five (5) important aspects are - **character, temperament, values, morals and attitudes**

**Character:** constitutes the moral and ethical codes by which you live and by which society judges you to determine whether your conduct is acceptable or not.

**Temperament:** a person’s way of thinking, feeling and behaving in any given situation

**Values:** deeply entrenched principles or standards that each individual has in regard to cherished things feelings, activities or relationships.

**Morals:** socially accepted set of principles and beliefs that guide a person’s actions and help him/her to determine “right” from “wrong.”

**Attitude:** a way of thinking and feeling which results in a tendency or a position about something, someone or some situation.



**Refer to:** Entrepreneurial Skills Level HEART Trust/NTA (March 2001) pages M2-20 to M2-35 for more information and activities relating to personality factors

**Motivation**

**Motivation** – is the willingness to exert high levels of effort to reach specified goals on the basis that these will satisfy some individual need.



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M2-35 to M2-38 to understand more about : Maslow’s Motivational Theory and ways of motivating persons.



**ACTIVITY**

- Conduct further research on Motivation.
- Discuss in group the linkage between motivation and earlier concepts such a values, morals, and attitudes

## CREATIVE THINKING AND PROBLEM-SOLVING

### Creativity/Traits

**Creativity** - the ability to bring something new into existence

In element two, you were introduced to creativity among the ten critical entrepreneurial characteristics that entrepreneurs need to have in order to ensure their success in business.

There are several traits that can be identified with creative persons. Listed below are four (4) such traits. **Creative persons** usually are:

- **Open to new experiences** - they will seek out and thoroughly enjoy new activities
- **Observant** - they see things in unusual ways
- **Curious** - they usually have a strong need to know why things are the way they are
- **Independent** - they are usually independent in thought, judgment and action



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-65 to M2-70 for more creativity traits

As indicated before, creativity is not something that is possessed only by geniuses in our society. We all have latent creative traits that can be developed.

For entrepreneurs, creativity means not only the ability to find solutions to problems in their daily lives but being also able to:

- recognize new needs
- generate new business ideas
- find novel solutions to the various problems that the business will encounter on a daily basis

For example, they are constantly finding ways to:

- Improve the quality of their products
- Increase production
- Cut cost
- Expand markets



### **CHECKPOINT**

What creativity traits do you possess?



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-53 to M57 for related activities  
C.E.F.E. Training Manuel – Energizers relating to Creativity



### **ACTIVITY**

- Work in groups and undertake the “Group Forming Activity” and “Concealed Colour” Energizers from the CEFE Training Manual
- Your learning facilitator will lead you through the activities
- Discuss the different ways in which these energizers bring out the creativity of group members

Although creativity has been defined as the ability to bring something new into existence, it has been demonstrated that entrepreneurs do not really have to bring something entirely new into existence. Instead, the result could be an improvement to something that is already in existence.

The introduction of the electric typewriter was based on creative thinking and the ability to see a new and better way of carrying out the typewriting activity.

Entrepreneurs often find their opportunities in unique approaches to traditional businesses. Some examples of such approaches are:

- The dental hygienist who travels to clients’ homes or workplaces to clean their teeth,
- The delivery service that delivers for several florists out of the same trucks

Creativity is the major tool for survival in the small business setting. It not only gives you the edge to recognize needs and generate business ideas, but it also increases your problem-solving ability.

Small business persons who are able to find creative solutions for problems encountered in their business, will survive in business, while others, less creative or flexible will be left behind.

For the business person:

- A problem is an opportunity
- An opportunity can become a business





**CHECKPOINT**

How important a tool is creativity to the survival and ultimate success of an entrepreneurial venture?

**Creative Thinking**

**Creative thinking** - the development or generation of new ideas.

These new ideas are the core of change and progress in every field - from science to art, from politics to personal happiness. It means thinking differently from the usual. It suggests a change from old ideas and the development of new ones.



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-53 to M2-57 for related activities.

We might not necessarily be able to invent great things such as the computer or develop new cures in medicine. By daring to think differently and breaking away from the old way of thinking, we can create new and improved ways of doing things. This could simply mean the ability to find workable solutions to problems in our daily lives.



**CHECKPOINT**

- What is creative thinking
- What are its essential features?



**ACTIVITY**

- Participate in group in the “Scamper Model Activity” from the CEFE CD  
Your learning facilitator will get the materials and lead the activity
- Identify as many product innovations and new business opportunities as time allows
- Discuss the ways in which creative thinking was applied.



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-67 to M2-70 for activities that will stimulate your creative thinking ability.

**APPLYING CREATIVE THINKING TECHNIQUES TO PROBLEM-SOLVING – THE IMPORTANCE TO THE ENTREPRENEUR**

**Problem** - situation in which business ventures have failed to meet established goals or guidelines

Small businesses are faced with problems of varying magnitudes on a regular basis, and so, entrepreneurs must know the steps to follow in making and implementing decisions in response to the problems. These decisions should be made in a timely and systematic way if the financial health of the business is not to be jeopardized.

You have just completed a detailed study of your personal traits, including your personality factors and you have seen the various ways in which “self” impacts on interpersonal relationships. You have also examined the concept of creativity and are better able to identify your creative potentials through the creativity traits that have been mentioned.

Problem-solving is part of the decision-making process and the purpose of making decisions is to determine the best alternative for solving a particular problem. It is generally agreed that the most effective problem-solving process has seven (7) steps, namely:

- Identify/define the problem or decision required
- Determine the possible causes of the problem
- Develop possible alternatives/solutions
- Decide on/select the best alternative
- Implement the chosen alternative
- Monitor and evaluate the outcomes



**CHECKPOINT**

What is an action plan? At what stage of the decision-making process would you prepare one?



**Refer to:** Entrepreneurial Skills Level 1 HEART Trust/NTA (March 2001) pages M2-63 to M2-64 and M2-67 to M2-70, - Creative Thinking Process and Problem-Solving



### ***ACTIVITY***

Discuss with your learning facilitator and your group, the importance of creative thinking and Problem-solving techniques and how these may be applied to your personal assessment of your entrepreneurial potential.

Now that you have a better understanding of yourself, you can proceed to make an assessment of your aptitude and capabilities in the area of technical skills and competence for business as perceived by you, your peers and other independent persons

### **Personal Aptitude for Business (Entrepreneurial Potential)**

Remember, aptitude is the ability to do certain tasks well. Here is a list of useful questions for you to consider:

- Am I a self-starter?
- Can I communicate effectively with others?
- Can I take responsibility?
- Can I make sound decisions?
- How good an organizer am I? Am I able to translate ideas into concrete tasks and outcomes?
- Can I persist when faced with major obstacles?
- Am I willing to make sacrifices to gain long-term rewards?
- Am I in good health?

### ***ACTIVITY***

- Assess your personal aptitude for business by using the questions given above
- Ask your group and your learning facilitator to complete a questionnaire (with those questions) on you and give you their feedback. Discuss the results.

### **ESSENTIAL MANAGEMENT COMPETENCIES (SKILLS) FOR THE ENTREPRENEUR**

Entrepreneurs need to have a wide range of skills in order to successfully run their business. You cannot be an expert in every area, but you must have a sound basic knowledge of all aspects of the business. Failure in a business often results from the entrepreneur's lack of knowledge and skills in certain key areas, and so you must seek training in these areas.

The essential skills, sometimes referred to as the basic survival skills that you will need, fall into two basic categories:

## 1. Technical competence

This means that you must have the knowledge and skills necessary to create the product or service i.e. you must have product or service knowledge and technical expertise. For example, if you are offering the service of hair care, then you must know about the cosmetology industry and be a technically skilled and competent hairdresser.



### ***CHECKPOINT***

What are your areas of technical competence?

Which area are you best in and how much do you like working in that area.

## 2. Business management skills

Survival and growth of your new venture will also depend on your ability to understand and manage the economics of the business. You will need to have knowledge, skills or personal competencies in areas such as:

- Planning and goal-setting
- Strategic decision-making
- Money/financial management
- Accounting know-how (in areas such as cash flow, liquidity, record-keeping, pricing, cost and contributions, structuring debt and asset acquisition)
- People/personnel management
- Communication business negotiations
- Production/operations management
- Marketing
- Leadership/Team-Building
- Computer literacy
- Tax and insurance
- Time management
- Networking-business contacts



**CHECKPOINT**

- Which are more important to the entrepreneurial venture, technical competence or business management skills?
- How important are effective communication and leadership skills.
- What can you do to better equip yourself to make up for any shortcomings in the essential entrepreneurial competencies?
- Which competencies do you possess and which do you lack?



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M3-11 to M3-63 for further information on some of these competencies.

**ASSESSING YOUR BUSINESS EXPERIENCE (SKILLS, ATTITUDES, EXPERIENCE)**

As a prospective entrepreneur, you must also evaluate your ability to handle the demands of running a business. Much of this ability relates to your attitude towards work (i.e. your work ethic), and your work-related experiences. Here is another set of questions (some of which are similar to those given earlier) for you to consider:

- Have I worked in a business like the one I want to start? For how long? What were my responsibilities? Was I good at it?
- Do I know the business environment in which my business will operate?
- Do I have, or know how to obtain, the basic survival skills needed to be successful?
- Can I communicate effectively with all types of people?
- Can I set realistic goals?
- Can I successfully balance risks with reality?
- How good a reader am I?
- How effectively do I manage time?
- Am I prepared to work long hours?



**ACTIVITY**

Assess your business entrepreneurship potential by answering the questions given to you.



**Refer to:** For detailed information and guidance in developing entrepreneurial skills read:

1. Entrepreneurial Skills, Vocational Skills 2000 Series, produced by HEART Trust/NTA in collaboration with the Work Force Development Consortium (1998).
2. Starting your own business\_(1994) from the Business Profile Series of the Micro Enterprise Development Project.
3. Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M3-11 to M3-62.



### **ACTIVITY**

Discuss the importance of each of those skills/competencies mentioned. What are the consequences of not having those skills to the entrepreneur?

Assess yourself in relation to the essential skills. Identify which competencies you possess and which you lack. Ask your learning facilitator for guidance in preparing a self-improvement plan to enable you to shape any additional ones that you need.



### **CHECKPOINT**

How can you better equip yourself or make up for your shortcomings in running a business?



### **ACTIVITY**

- Review your personal performance in previous jobs. Make a list of your accomplishments and your failures and what you attribute those to in retrospect.
- Discuss your findings with your learning facilitator, in reference to the new knowledge that you have gained about yourself and the requirements for success in business.



**Refer to:** websites document: “Are you ready to start your own business? – from the Business Profile Series, a Micro-enterprise Development Project. Go to these websites:  
<http://www.liraz.com/webquiz.htm>  
<http://www.bondbusiness.co.za/Entrepreneurship%20Checklist.htm>

### ***Assessing your Personal finance, family and lifestyle***

You have completed an assessment of your real interests, your personal qualities and traits, your aptitude for business, your business skills, attitudes and experience. As a prospective entrepreneur, you must also examine your personal financial status and recognise the kind of lifestyle and family structure that you wish to achieve and/or maintain. This means considering questions such as:

- How thrifty am I?
- What is my credit rating?
- How much of my own money am I able to put into the venture?
- Do I have the support of my family? My spouse?
- Do I have alternative sources of income/savings to maintain my standard of living until the business is established?
- Are my business goals compatible with my family and lifestyle goals?
- Is my personal house in order?



#### ***CHECKPOINT***

How positive a rating do you have in this area?



#### ***ACTIVITY***

- Read the reference document mentioned above and discuss with your learning facilitator any concerns that you have
- Discuss your rating on the questions above with your learning facilitator.
- Complete the self-assessment quizzes provided at the websites given and discuss your findings with your learning facilitator.

## USING FEEDBACK AND SELF ASSESSMENT TO REINFORCE CURRENT STRENGTHS/MODIFY ATTITUDES AND BEHAVIOURS

Your self-assessment exercise and the feedback which you received from your peers and your learning facilitator in the various areas would have provided you with a good, balanced picture of your strengths and weaknesses, first as a person, and then, as a prospective entrepreneur.

With your knowledge of the positive characteristics and personal traits that are necessary for you to succeed in any entrepreneurial venture, you can now examine how to go about making the adjustments that are necessary for you to succeed with your ambition by applying some of the creativity and problem-solving techniques that you have learnt.

**Every individual needs to strive to be the best that he or she can be in every area of life.** This commitment towards self-improvement should be everybody's goal. It pays great dividends, especially in business!

Begin working on yourself. Here are a few steps that you can follow:

- Identify the critical attitudes and behaviours which affect your performance
- Set minimum standards for yourself
- Analyze the factors that contribute to performance and their consequences
- Conduct your own self-assessment
- Get others to assess you
- Compare your self-assessment with the assessment done by others
- Take appropriate action



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M2-73 to M2-76

### **ACTIVITY**

- Complete the P.E.C.S. Book Questionnaire on yourself.
- Design a “Way You See Me” questionnaire to cover all areas discussed in this Element, using the guidelines presented. Ask your learning facilitator to review the instrument.
- Conduct a survey by asking 20 persons who know you well to complete the questionnaire. Be careful not to influence their thoughts.
- Summarise the responses, analyse the results and discuss them with your learning facilitator.
- Design an Action Plan for Self-Improvement, discuss it with your learning facilitator, then put it into place. Monitor your development in collaboration with your learning facilitator





***CHECKPOINT***

- How well did you fair in the overall assessment?
- Are you ready to put your Self-Improvement Plan in place?

**READY TO PROVE YOUR COMPETENCE?**

Now that you have completed this element, see if you have fully grasped all the components by doing the following self-assessment.

<b>Checklist 1</b>		<b>Yes</b>	<b>No</b>
1.	I can identify and use self-assessment tools/methods to identify personal entrepreneurial potential	( )	( )
2.	I can obtain and evaluate feedback from others, which will enable me to reinforce or change perceptions of my strengths and weaknesses	( )	( )
3.	I am able to apply creativity and problem-solving techniques and principles to solve business-related problems	( )	( )
<b>Checklist 2</b>		<b>Yes</b>	<b>No</b>
1.	Self-assessment tools/methods to identify personal entrepreneurial potential are identified and properly used	( )	( )
2.	Feedback from others, which will enable me to reinforce or change perceptions of my strengths and weaknesses is appropriately obtained	( )	( )
3.	The ability to apply creativity and problem-solving techniques and principles to solve business-related problems is demonstrated	( )	( )

## **ELEMENT 4 - CRAFT AN ENTREPRENEURIAL STRATEGY**

### **LEARNING OUTCOMES**

As you go through this element, it will provide you the necessary knowledge, skills and attitudes to enable you to craft your entrepreneurial strategy. Your learning facilitator is there to assist you with the various activities so, on completion you should be able to:

- Identify what you would like to do based on analysis of accomplishments, life and work style preferences and future trends
- Determine the level of commitment, determination, initiative, personal responsibility and management competencies required and identify areas for development
- Develop a framework and process for setting SMART goals
- Identify the distinct steps involved in the goal-setting process
- Establish priorities and identify ways to make trade-offs and resolve conflicts
- Identify potential problems and obstacles that could prevent the attainment of goals
- Outline the specific action steps to be performed to accomplish goals and the method for measuring the results
- Establish milestones for reviewing progress and revising goals as necessary
- Identify the risks in meeting goals
- Identify the means for obtaining resources

### **HOW TO CRAFT AN ENTREPRENEURIAL STRATEGY**

**Strategy** – a plan designed to achieve a particular long-term aim.

In the previous elements, you would have done the following:

- Investigated and gathered adequate information regarding the new, exciting career area of entrepreneurship and what it takes to be an entrepreneur, the advantages and the risks involved (Refer to Element I)
- Become acquainted with the personal entrepreneurial characteristics and personal traits that contribute to the success of an entrepreneur (Refer to Element II)
- Developed a good understanding of your personal strengths and weaknesses through rigorous self-assessment supported by honest feedback from persons who knew you well (Refer to Element III)
- Had an opportunity to review your past performance including your accomplishments and your failures (Refer to Element III)
- Initiated steps to effect the necessary adjustments to your attitudes and behaviours in order to bring them to the desired state/level that will assure you success as an entrepreneur (Refer to Element III)

You would have also identified what you would like to do based on your analysis of your real interests, your accomplishments, lifestyle and work preferences, as well as future trends. Now you are ready to consider crafting an entrepreneurial strategy

**Idea** – a mental impression; a vague belief or fancy.

In seeking to become an entrepreneur, the first step is to identify what you want to do. You must have an idea of a business venture that you want to pursue. This idea must then be explored/evaluated to determine whether or not it is a business opportunity.

**IDENTIFYING BUSINESS OPPORTUNITIES**

A business idea becomes a business opportunity when there is the potential for the idea to be viable. **Viability** means that:

- There’s a substantial market for the product or service
- The inputs or resources (technology, materials, personnel, etc.) needed to provide the products/service are available
- A reasonable return on investment (profit) can be realized.



**ACTIVITY**

Choose a partner and generate as many ideas as possible for a business venture. Be radical. Analyse these ideas in terms of their viability.

**SOURCES OF BUSINESS IDEAS**

Did you find the above activity useful? Perhaps you were short of ideas because you did not know how to come up with them. As a potential entrepreneur, you can obtain clues for business ideas from several sources. For example, you can:

1. Observe the trends and practices in society, so as to predict future needs.



**ACTIVITY**

Identify some of the current trends in relation to health/fitness, travel and information technology. Discuss these trends with your learning facilitator.



**CHECKPOINT**

Do any of these trends stimulate a business idea?

2. Look at the problems being faced by various individuals/groups in society (employers, teachers, health providers, students, parents, etc.) and think of ways of solving these problems.



**ACTIVITY**

Meet with a colleague to discuss some of the problems being faced by students or teachers. Think of ways to solve these problems. Are any of these a business opportunity? Why or why not?

3. Identify unmet needs. Business opportunities may be found when people have needs for products or services that are not provided in their area or elsewhere. For example, there may be the need for child-care services in a particular location.
4. Observe the culture and tastes of countries that are in close proximity to Jamaica, such as the United States of America. Jamaicans like to adopt/follow the lifestyles and fashions of these countries and the needs and demands of people in these countries soon become those of Jamaicans. Hence, observing the cultural trends and business development in neighbouring countries could help you to generate some business ideas.



**Refer to:** For more information on “Identifying Business Ideas and Business Opportunity”, see Entrepreneurial Skills Level I HEART Trust/NTA (March 2001), pages M4-1 to M4-13



**ACTIVITY**

Identify three (3) other sources of business ideas. Use the references provided in this section. Discuss these sources with your colleagues and your learning facilitator.



***CHECKPOINT***

Can you think of other sources of business ideas?

Whatever the source/method that you use to generate your business ideas, you must determine the viability or potential success of the idea before seeking to implement it. It was mentioned earlier that you should evaluate the market potential, production and financial feasibility of the idea. This forms part of a feasibility study.

**Feasibility study** – an analysis of a potential business opportunity with emphasis on attainable income, probable expenses and recommendations for an advantageous marketing approach.

The feasibility study often involves a SWOT analysis.

**SWOT analysis** - an assessment of the strengths, weaknesses, opportunities and threats of a business venture.

The opportunities and threats relate to the external environment while the strengths and weaknesses relate to the internal environment.



***ACTIVITY***

Ask your learning facilitator to help you to make contact with a small Business Consultant or other qualified resource person. Ask him/her to visit and give the group a talk on feasibility study.

Discuss the nature, role and process of such a study.



**Refer to:** Entrepreneurship produced in 1994, by the Entrepreneurial Centre of the University of Technology, Jamaica, chapter 7,



**CHECKPOINT**

How important is a feasibility study to the success of an entrepreneurial venture?

The chief factors in the entrepreneur’s external and internal environments are indicated below. The internal factors are largely controllable while the external factors are largely uncontrollable.

External Factors	Internal factors
Competitors	Strategy and goals
Customers	Selection of location
Bankers	Leadership
Suppliers and distributors	Identity of skills needed
Courts/legal	Selection of key staff members
Economy	Organizational structure
Governments	Assignment of duties
Educational institutions	Systems, procedures and processes
Religious institutions	Performance
News media	
Culture	
Weather	



**Refer to:** Olm, Kenneth W. & Eddy, George G. (1985). Entrepreneurship and Venture Management: Text and Cases. Chapter 3 and 4. Charles E. Merrill Publishing Company, Ohio., Entrepreneurial Skills pages M3-10 and M4-12 to review the entrepreneurship concepts mentioned



**Refer to:** Entrepreneurial Skills HEART Trust/NTA (March 2001), pages M3-10 for further understanding of the concepts: market, competition and co-operation, as they relate to the external factors mentioned above.



**ACTIVITY**

Perform a SWOT analysis on one of the business ideas you have generated. Discuss this with your learning facilitator.

N.B. When you choose a business idea, your choice must be based on a desire to offer something better, cheaper, more convenient, or that fills a need.

## DEVELOP A FRAMEWORK AND PROGRESS FOR SETTING “SMART GOALS”

**Planning** – the process of defining one’s goals and the steps to achieve them.

It is often said that “If you fail to plan, then you plan to fail”. Indeed, planning is vital to the success of a business venture as planning reduces the risk of failure. When you leave things to chance, then you will be unprepared for certain predictable situations.

In general, planning will assist the entrepreneur in:

- Defining goals; focusing on forward thinking
- Making better decisions
- Reducing risks and uncertainty
- Coping with changes in the environment
- Establishing effective control systems
- Measuring accomplishments.



**Goal** – the end; the desired outcome or target to which efforts are directed.

There are several definitions of the term ‘goal’. It is generally agreed on that a good goal is a ‘clear statement of what the task is’.

**Goals** are ‘broad objectives that can be broken down into smaller, more specific objectives or activities. Knowing your goals enables you to define your objectives’.

For example, one goal of a business could be to make a profit; however, it takes the achievement of a number of specific objectives in order to realize this goal.

Some of the specific objectives could be:

- to reduce cost
- to successfully market the product or service to more persons
- to increase production

### Establishing Goals:

*The purpose of setting goals allow you:*

- confront future events
- prepare a path to deal with changing conditions
- consider what you have and estimate what you need
- specify what needs to be done and in what order
- generate interest in activities



***Clarify Expectations and Reduce Misunderstandings***

- Team members understand why they have been brought together.
- You can check your feelings and decide: ‘do I really still want to go through with this task now?’
- Be reasonable; if it is not possible, you may be indulging in fantasy.
- If you are reasonable, success is more likely

***Minimize Errors:***

They:

- Prevent confusion
- Lessen misunderstandings
- Possible obstacles are considered
- Less is left to chance
- Predetermined course of action is established

**IDENTIFY THE STEPS IN THE GOAL-SETTING PROCESS**

In general, the tactical and operational goals highlight what departments/responsibility centers on and what individuals must accomplish if the strategic goals are to be achieved. As the entrepreneur, you are the creator of the strategic goals based on your vision of where you want the business to be in maybe three to five years. Your initial vision and how you intent to get there will be outlined in your Business Plan, which will be introduced to you briefly.



<p><b><i>CHECKPOINT</i></b></p> <p>What are “SMART” goals/objectives?</p>
---

Seven (7) distinct steps have been identified as important in the goal-setting process. Here are four (4):

- *Specify the task to be carried out*
  - State exactly what is to be done
- *State how the task is to be measured*
  - How do you know when it is done
- *Specify the desired budget*
  - e.g. Finalize loan from Credit Union

- *State the time frame in which the task is to be done*



**ACTIVITY**

Identify the other three (3) steps in the goal-setting process and discuss their importance to the success of the venture.



**CHECKPOINT**

How important is it to prioritize, rank and coordinate goals? Why is this necessary?

**Characteristics of goals**

- Specific > Contain precise, meaningful details
- Measurable > Should be measurable against a certain standard
- Attainable > Should be high enough to require hard work, but not too high to discourage performance
- Realistic > Are they too difficult and unrealistic? They should not be
- Time-oriented > Are they too easy - requiring little effort? What length of time will it take to achieve this goal. Can be either long-term or short-term

The above, which is popularly represented with the acronym “SMART”, should also cover key result areas.

**Key result areas** – activities that contribute most to company performance, e.g. financial performance and customer satisfaction.



### **ACTIVITY**

Determine the key result areas for the business you wish to start. Set SMART goals for these areas and determine what measures you will use to determine how well these goals are being achieved. Discuss with your learning facilitator.

There are basically three (3) types of goals that you will need to be familiar with:

- Strategic goals – broad statements of where the organization wants to be in the future
- Tactical goals – goals that divisions/departments must achieve if the strategic goal is to be realized
- Operational goals – the precise results expected from each individual, group and department in the organization.

### **SPECIFIED ACTION/STEPS (PLANNING) TO ACHIEVE GOALS**

The process of establishing specified action steps to enable the achievement of goals is called planning. Planning:

- defines purpose
- motivates and inspires
- also generates commitment

Planning is hard work, therefore, without a strong commitment, discouragement and frustration can set in.

#### **The nature of planning:**

- It gives due consideration to all possible events
- It contemplates almost everything that may happen in the future
- It defines a clear path go get where you want to be



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) pages M5-11 to M5-20, and learn more about the value of planning in our everyday life and to the entrepreneur.



***CHECKPOINT***

Just how important do you consider planning?

Here are some benefits of planning; it:

- Helps the entrepreneur to allocate his/her scarce resource (time, finances, labour and capital) in a rational manner to meet the desired goals of the business
- Ensures that resources are properly combined to achieve the expected goals. This prevents or minimizes waste of available resources.
- Allows for focus on desired goals
- Allows for greater coordination of efforts and this fosters cooperation and teamwork
- Also helps to define the culture of the enterprise
- Establishes the ethical standards by which the business will operate
- Reduces valuable time that is spent on dealing with unexpected difficulties

The planning method is determined by the type of plan. Basically, there are two types of plans:

- Informal
  - not much is written down
  - most of the information is in the head of the entrepreneur
  - others who should know may not know what the objectives are
  - a form of planning that lacks continuity
- Formal planning, in which:
  - specific objectives are set
  - the time for achieving these objectives is stated
  - objectives are written down and communicated to all relevant persons
  - This establishes direction for the entrepreneur
  - This method is highly recommended



***CHECKPOINT***

What are the differences between informal and formal planning methods?

Which would you recommend to an entrepreneur and use for yourself? Why?



**CHECKPOINT**

Of what importance is a business plan?

**How to Measure Milestone**

The business plan is perhaps one of the most effective means of measuring your results or assessing the progress of your business.

You can always make reference to it to determine:

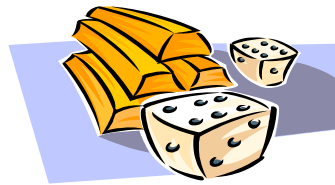
- what has been achieved
- what else needs to be achieved
- what necessary adjustments need to be made
- additional resources required

**IDENTIFY POTENTIAL PROBLEMS/RISKS**

Potential entrepreneurs are faced with various problems or challenges both before they launch the business and after. These challenges create the element of risk as they magnify the possibility of failure. To be successful, entrepreneurs must find ways to effectively overcome these problems and reduce the element of risk.

According to data compiled by the National Federation of Independent Business in the USA, the top nine concerns and potential problems for small businesses are:

- Taxes
- Interest rates and financing
- Poor sales
- Competition from large businesses
- Government regulations (“red tape”)
- Inflation
- Minimum wage laws; cost of labour
- Quality of labour
- Shortage of fuels, materials or goods



**The Business Plan**

**Business plan** – a document specifying the business details prepared by an entrepreneur prior to opening a new business.

As discussed earlier, one of the ways to minimize risks and uncertainties for the entrepreneur is to develop a flexible business plan. This plan is really the starting point and blueprint of your venture, as it defines your business, identifies your goals and how you plan to achieve them, and serves as your resume when you need to obtain financing.

The main reasons you should write a business plan are:

- To test whether or not a business idea is feasible
- To identify both the broad operational and financial objectives and details of your business, such as budgeting and market planning
- To secure funding, such as bank loans, and to attract investors
- To make business planning manageable and effective

Writing a business plan can be an overwhelming task if it is not taken in stages. You are not required to do a Business Plan in this course. However, by way of introduction, it is useful to note that before you start you should consider the answers to four core questions:

What product/service does my business provide and what needs does it fill?

Who are the potential customers for my product/service and why will they pay me?

How will I reach/attract my potential customers?

Where will I get the financial resources to start my business?

## IDENTIFYING THE MEANS OF OBTAINING RESOURCES

### Support services for entrepreneurial ventures

There are several institutions and agencies in Jamaica, which provide support for small business entrepreneurs. The services that they provide fall into four (4) main categories:

- Finance
- Counselling
- Training
- Technical Assistance



**Refer to:** Entrepreneurial Skills Level I HEART Trust/NTA (March 2001) page M4-26 to 27 for the names of some agencies and institutions in Jamaica that provide support services.

### Examples of these are:

National Development Fund

Self-Start Fund

Credit Unions



### **ACTIVITY**

Discuss with your learning facilitator how to establish milestones for reviewing progress and revising goals, as necessary. Your learning facilitator will lead you in the Goal-Setting Activity on pages M5-18 to M5-20.

## **Financial resources**

A critical concern for entrepreneurs is the financing of the business as raw materials, labour, equipment or even a building may be required to conduct the business. The financing decision usually involves two options:

- Obtaining loans that must be repaid (debt financing)
- Obtaining funds through investment in exchange for ownership in the company (equity financing)

For debt financing, your options are not limited to just banks, as various agencies have been established to offer credit to small businesses in Jamaica. These include:

- Self-Start Fund (SSF)
- National Development Foundation of Jamaica (NDFJ)
- Enterprise Development Trust (EDT)
- Credit Organization for Pre-Micro Enterprises (COPE)
- Agency for the Selection and Support of Individuals Starting (ASSIST)
- Credit Unions



### **ACTIVITY**

Research the requirements and procedure for applying for financial assistance from each of the above institutions. How do these compare with seeking a loan from a bank? Discuss with your learning facilitator.

## **Support and Advice**

As a newcomer to the world of entrepreneurship, you may need temporary office space and management advice to get you started in the right direction. The Entrepreneurial Centre at the University of Technology, Jamaica, the only business

**Business incubator** – a facility that provides shared office space, management support services, and management advice to

Incubator in the Caribbean provides facilities such as office space, videoconferencing facilities, photocopying, Internet usage, entrepreneurial training, manuals, etc. to assist new businesses. A small fee is charged.

### Professional Assistance

It is impossible for you to do everything yourself as an entrepreneur, even if your prime motivation for becoming an entrepreneur is to be a jack of all trades. Hence, you will need persons with specialized skills to help you to set up and run the business.

You should seek to establish and maintain good relationships and networks with your:

- Accountant
- Attorney-at-law
- Banker and other creditors
- Business counsellors
- Public and private agencies and organizations, such as:

JAMPRO  
 Bureau of Standards  
 Jamaica Employers' Federation (JEF)  
 Small Businesses Association of Jamaica (SBAJ)  
 Jamaica Manufacturers' Association (JMA)  
 Jamaica Exporters' Association (JEA)  
 Private Sector Organization of Jamaica (PSOJ)



#### **ACTIVITY**

Research the type of assistance that you can receive from the various public and private organisations mentioned above. Consider what stage in your business you would need these services. Discuss with your associates and learning facilitator.



#### **Refer to:**

1. Chapter 2 (Financing) of Starting your own business of the Business Profile series, a Micro-enterprise development project publication.
2. Chapter 4 (Professional Assistance – Who Can Help) of Are you ready to start your own business? of the Business Profile series, a Micro-enterprise development project publication.



**READY TO PROVE YOUR COMPETENCE?**

Now that you have completed this element, see if you have fully grasped all the components by doing the following self-assessment:

<b>Checklist 1</b>		<b>Yes</b>	<b>No</b>
1.	I can identify what business I would like to do	( )	( )
2.	I can take the initiative, determine my level of commitment and identify areas for development	( )	( )
3.	I can develop guidelines to obtain written feedback to facilitate reviews	( )	( )
4.	I can develop the framework and process for setting goals	( )	( )
5.	I can establish priorities and can determine how conflicts and trade-offs may be resolved	( )	( )
6.	I can identify potential problems and obstacles that could prevent goals from being attained	( )	( )
7.	I can identify the specific action steps to be performed in order to accomplish goals	( )	( )
8.	I can establish milestones for reviewing progress	( )	( )
9.	I can identify the risks in meeting goals	( )	( )
10.	I can identify the sources to obtain resources	( )	( )
11.	I am able to review the planning process and to periodically revise goals	( )	( )

<b>Checklist 2</b>		<b>Yes</b>	<b>No</b>
1.	Identification of business is carried out	( )	( )
2.	Initiative, level of commitment and identifying areas for for development is determined	( )	( )
3.	Guidelines to obtain written feedback to facilitate reviews are developed	( )	( )
4.	Framework and process for setting goals is determined	( )	( )
5.	Conflicts and trade-offs are resolved by established goals	( )	( )
6.	Problems and obstacles that could prevent goals from being attained are identified	( )	( )
7.	Actions to be taken to accomplish goals are identified	( )	( )
8.	Milestones for reviewing progress are established	( )	( )
9.	Risks in meeting goals are identified	( )	( )
10.	Sources to obtain resources are identified	( )	( )
11.	The ability to review process and revise goals is demonstrated	( )	( )