

ENTERPRISE, BUSINESS GROWTH AND SIZE

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ENTREPRENEUR

Entrepreneur is a person who organizes, operates and takes the risk for a new business venture.

Many of you would actually become an entrepreneur when you grow up!



ADVANTAGES OF BEING AN ENTREPRENEUR



- Independence- able to choose how to use time and money.
- Able to put own ideas into business.
- May become famous and successful if the business goes well.
- May profit more in the business than working as an employee of an another business.

7 Disadvantages of Being an Entrepreneur

1

You will not get a regular monthly salary

2

You risk losing everything you have worked for

3

Successful business owners have all failed at some time in their life

4

You will have to learn a whole lot of new skills

5

You will be working long hours, often you have no personal time

6


You can't pass the buck, bad decisions can cost a lot of money

7


You have to be the jack of all trades

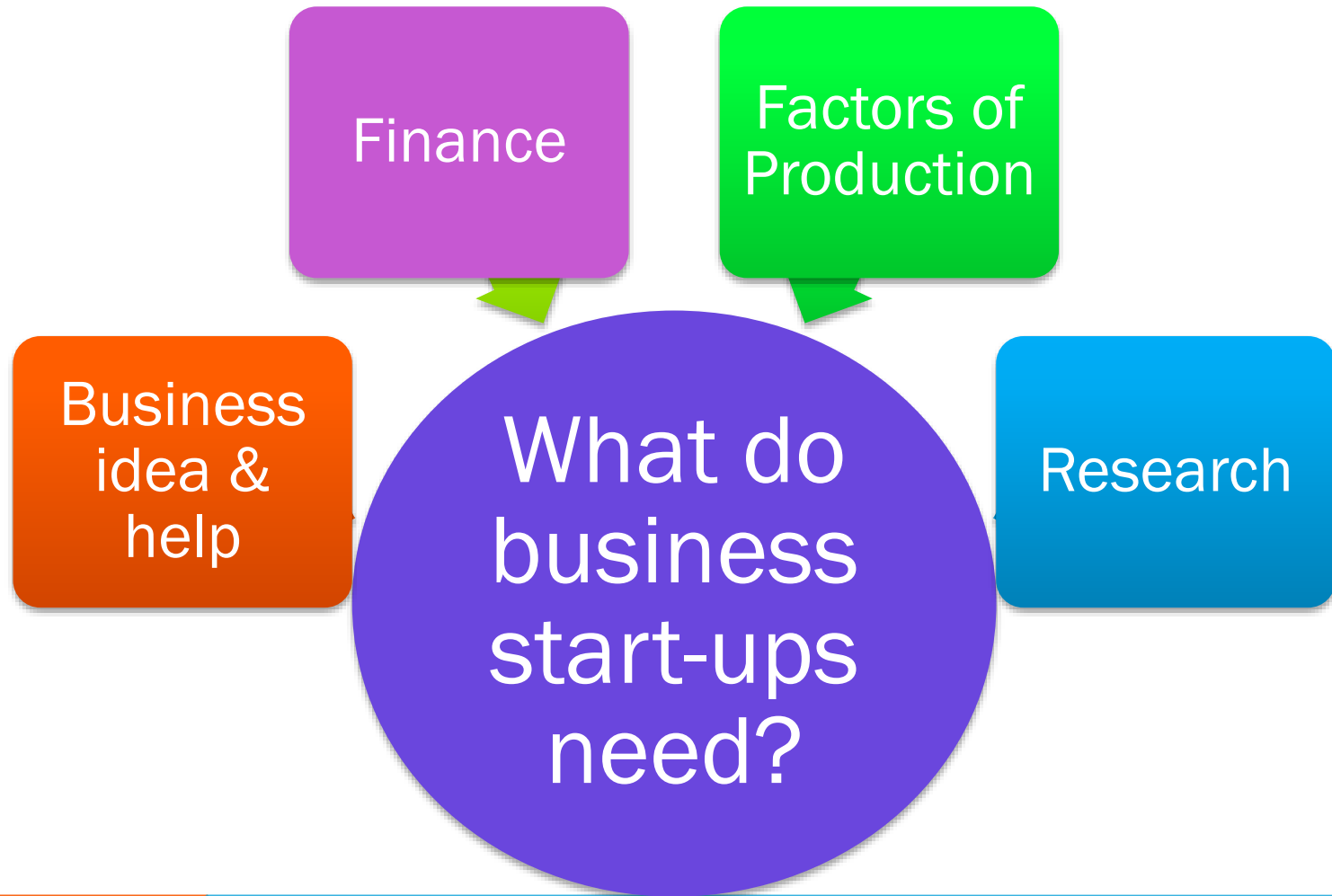


CHARACTERISTICS OF SUCCESSFUL ENTREPRENEURS


1. **Hard working-** work for more hours and short holidays.
 2. **Risk taker-** making decisions to produce goods or services that people might buy, which is risky.
 3. **Creative-** every business needs new ideas (different from other firms) to attract customers.
 4. **Optimistic-** Think positively and believe in a better future.
 5. **Passionate and motivated**
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CHARACTERISTICS OF SUCCESSFUL ENTREPRENEURS

6. Self confident- first you should be confident about yourself, the others will be confident about your business.
 7. Innovative- being able to put new ideas into practice in interesting and different ways.
 8. Independent- entrepreneurs mostly will have to work on their own.
 9. Effective communicator- talking clearly, confidently and straight forward to banks, other leaders, customers and government agencies.
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WHY DO GOVERNMENTS SUPPORT NEW BUSINESS VENTURES ?

- ✓ Governments normally support entrepreneurs which encourages them to set up a new business. The reasons for this is:
 - ✓ Reduce unemployment
 - ✓ Increase competition- which give consumers more choices.
 - ✓ Increase output
 - ✓ Can grow further- all large businesses were small once. Government may be helping some firms that grow to become large and famous.
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SOME FAMOUS ENTREPRENEURS



Richard Branson



Dhirubhai Ambani



Mark Zuckerberg

BUSINESS PLAN




A business plan is a set of documents prepared by a firm's management to summarize the business objectives, important details about the operations, finance and owners of the new business.

It's a document that a bank will ask for before agreeing to a loan or overdraft to help finance the business.

ASSISTANCE TO ENTREPRENEUR

- ◆ What services or products do they intend to provide and which consumers are they aiming at?

For Instance which age group are they aiming at? Which gender should be targeted in particular?

- ◆ What will be the main costs and will enough products be sold to pay for them?
 - ◆ Where will be the firm located? And why?
 - ◆ What machinery and how many people will be required in the business?
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CAPITAL EMPLOYED

It is the total value of capital used in the business (Capital + loans = capital employed). It is also known as funds employed.




THE SIZE OF BUSINESS

Who would find it useful to compare the size of the business?

- a) Investors- before deciding which business to put their savings into.
- b) Governments- mostly there are different tax rates for small and large businesses.
- c) Competitors
- d) Banks- to determine whether the business organization is capable of paying back the loan along with the interest.

MEASURING THE SIZE OF THE BUSINESS

Ways to measure the size of the business:

- I. Number of employees
 - II. Value of output
 - III. Value of sales
 - IV. Value of capital employed
 - V. The amount of capital invested
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