

Chapter 20 : Entrepreneurial motives and characteristic

1. Characteristics of entrepreneurs

- **Self- Confidence** : They will believe that they are going to succeed. They can also persuade others to buy our products or invest in the business.
- **Self- determination** : Successful entrepreneurs are ones who think they can control of events going around them.
- **Being a self-starter** : Entrepreneurs are able to work independently and can take decision. They will have own ideas about how things should be done and they are able to develop those ideas.
- **Judgement** : Entrepreneurs is someone who gathers information and listens to advice. This helps them to make judgments and decisions
- **Commitment** : Entrepreneur work longer hours than with normal jobs.
- **Perseverance** : They have to be able to get through the bad times and the setbacks.
- **Initiative** : They do not allow events to overwhelm them by doing nothing. They are able to change and be proactive.

2. Skills required by entrepreneurs

2.1 Organising : Entrepreneurs play an important organisational role. They have to project manage the setting up and running of their business ventures. This involves organizing resources in order to get the business up and running. Entrepreneurs need to planning, scheduling, giving instruction, prioritites and setting up systems.

2.2 Financial Management : make sure that the business has enough money whenever it is needed. This might involve budgeting, cash flow, forecasting, chasing debts and etc.

2.3 Communication : Entrepreneurs will need to interact with a wide range of different stakeholders. This might include customers, employees, suppliers and the local authorities.

2.4 Managing people: Individuals are all different and may require different approaches to motivation. Entrepreneurs need to recruit the “ right people” in the first place and then show clear relationship and direction.

2.5 Decision making

2.6 Negotiating : eg. Agreement in term of contract with third parties eg. suppliers etc

2.7 IT skills: Entrepreneurs will be able to run their business more efficiency if they have good IT skills

- Set up filing systems to store and manage business document and other information
- Communicate with stakeholders
- Use spreadsheet to prepare budgets and cashflow
- Set up business website, provide a system for online purchases
- Use social media to help raise the profile of the business and direct potential customers to the business website
- Use computer software to give presentation
- Use specialist software, for designing products, for example

3. Reasons why people set up businesses

3.1 Financial Motives : Many people set up a business because they want to make money. They often think that they could earn far more if they worked for themselves. Two approaches to making profit can be identified :

- **Profit maximisation** : Some entrepreneurs try to make as much profit as possible in a given time period. These entrepreneurs motivated by money and their key focus is the financial return on their efforts.
- **Profit Satisficing**: Some entrepreneurs might take a different approach to profit. They may aim to make just enough profit to maintain their interest in the business. Since they don't want extra work. This allows owners to have lifestyle / leisure time with family.

3.2 Non-financial motives:

- **Ethical Stance** : A minority of people set up a business in support of a moral belief they possess.
- **Social Enterprise** : There are organising that trade with the aim of improving human and environment well-being. They are sometimes referred as non-profit organisation.
- **Independence**: A lot of people want to be “own boss” Since want to be independent.
- **Home working** : There are two keys benefits for home workers . Save time and expense in travelling to and from work. They also enjoy more flexibility.

