

THE ENTREPRENEURIAL PROCESS (Page 22)

- Identify and evaluate the opportunity.
- Develop the business plan.
- Determine the resources required.
- Start and Manage the enterprise.

DIFFERENT LEVELS OF ENTREPRENEURS, (Page 31)BASIC SURVIVALISTS

No economic independence, little involvement with other entrepreneurs within their social network. Isolated from markets, unaware of their own potential, illiterate, few income generating activities. Eg Person standing on street corner holding a sign that says wash cars for R10.

PRE-ENTREPRENEURS

Follow the group's initiative (collectivism). Welfare orientated approach, not expected to be self sustaining. Eg Person selling crafts at the side of the road with ten other people selling the exact same product at the same price.

SUBSISTENCE ENTREPRENEURS

Self employed, independent income generation, temporary market or stand. Inexperienced in business management & still needs general support & training in technical and management skills, Eg Street Vendors.

MICRO ENTREPRENEURS

0 to 9 employees, operating license from local authority, fixed workshop. Difficulty in getting loans from the bank. Eg Hairdressing Salon run from their home.

Small Scale Entrepreneurs

10 to 49 employees. Qualifies for a loan from the bank. Well educated and has adequate collateral to apply for a loan Eg Small accounting or law firm.

CHARACTERISTICS OF ENTREPRENEURS (page 32)

PASSION - Entrepreneurs must preferably pursue business activities for which they have a passion. They sometimes turn their love of sports and hobbies into a business venture. If they pursue a business venture they find interesting & fascinating they are more likely to succeed.

LOCUS OF CONTROL - Individuals like to be in charge of their own lives, and one way of ensuring this is being in control of own's venture & business activity. Entrepreneurs are typically people who like to be in control and have good delegating skills. They have a high degree of autonomy and don't like being told what to do.

NEED FOR INDEPENDENCE

An entrepreneur generally needs to do things his way and has a difficult time working for someone. The Desire to be ones own boss is one of the biggest reasons why people become entrepreneurs. They do not like rules and regulations.

NEED FOR ACHIEVEMENT

The need for achievement is closely linked to the entrepreneurial motivation to excel. Entrepreneurs are self starters who ~~appear~~ are driven internally by a strong desire to compete against self-imposed standards & to pursue and attain challenging goals.

RISK TAKING AND UNCERTAINTY

Risk taking is much more than losing financially when a venture does not succeed. It can also be social and personal risks. All entrepreneurs face personal risks, they might lose valuable time which they could spend with their families. They do not have 9-5 jobs but rather 24hr jobs especially in the start up phase. They are no more protected from business failure than their employees or investors.

CREATIVITY AND INNOVATION

It is believed that everyone is capable of being creative, it is just a matter of how individuals develop that creativity within themselves to produce the most favourable results. Great deal of pressure on both small and big organisations to establish a sustainable competitive edge. These are key ingredients to establish a niche market.

SMALL BUSINESS (pg 10)

QUALITATIVE CRITERIA

- Be separate and distinct business entity
- Not be part of group of companies
- Include subsidiaries and branches when measuring size.
- Be managed by its owners
- Be a natural person, sole proprietorship, partnership or legal person, close corporation or company.

QUANTITATIVE CRITERIA

- Total full-time paid employees
- Total annual turnover
- Total gross asset value.

ENTREPRENERIAL VENTURES

- Innovation
- Potential for Growth
- Strategic Objectives

FACTORS THAT INFLUENCE ENTREPRENERIAL ORIENTATION

- Culture
- Family and Role Models
- Education
- Work Experience
- Personal Orientation

ENTREPRENERIAL SUCCESS FACTORS (pg 14-16)

- Creativity and Innovation
- Risk Orientation
- Leadership
- Good Human relations
- Positive Attitude
- Perseverance

MANAGERIAL SUCCESS FACTORS (pg 20)

- Planning
- Knowledge of Competitors
- Mainly Market orientated
- Client Service
- High Quality Work enjoys priority
- Financial insight and Management
- Knowledge & skills with regards to business
- Use of Experts

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PULL FACTORS (Pg 34)

- Independence
- Achievement
- Recognition
- Personal Development
- Personal Wealth

PUSH FACTORS (Pg 34)

- Unemployment
- Job insecurity
- Disagreement with management
- Does not "fit in" with organization
- No other alternatives

CHALLENGES FACING SMME'S (Pg 35)

- Access to start-up and expansion finance
- Access to markets
- Access to appropriate technology
- Access to resources.

OVERCOMING THE CHALLENGES OF SMME'S (Pg 36)

- Business Success
- Financial Products
- Training
- Financial Guidance