

Unit 2 - Enterprise | H1 notes

Entrepreneurs

An entrepreneur is someone who takes a personal and financial risk in setting up their own business. They are innovative and creative. They spot gaps in the market and take their chance. Examples of entrepreneurs are Richard Branson of Virgin Media and Bill Gates of Microsoft.

Characteristics of Entrepreneurs

Characteristics are traits that people are born with. Entrepreneurs are born with the following characteristics:

- Independence – able to be in control.
- Ruthless – will achieve goals at any cost.
- Realistic – able to realise there are limitations and see their own limits.
- Confident – always believe in themselves and their idea.
- Good communicator – they are always able to relay their ideas to others.
- Motivated – they always are striving to achieve some sort of goal.
- Leader – able to be the leader of a group and motivate them to work towards the goal.

Skills of Entrepreneurs

Skills are learned throughout life. Here are some skills that entrepreneurial people develop throughout life.

- Setting goals/plans – able to look to the future and set targets to be met.
- Innovation – able to apply their ideas to the needs of others and create new ideas.
- Networking – able to work well with others and build up good contacts.
- Decision making – can make quick decisions with the best interest of the company in mind.
- Human relations – being able to manage employees.
- Reality perception – being able to recognise when their product is failing or is disliked by the target market.

Why People Become Entrepreneurs

People become entrepreneurs for many reasons. Some do it for the income, to be able to have a stable income for their family. Some do it for independence and to be their own boss. Some enjoy the challenge that it brings while some enjoy being creative. Others create their own business as a result of a job loss.

Intrapreneurship

An intrapreneur is someone who shows enterprising skills and characteristics within a business. They create new ideas for the business to use as opposed to creating their own idea to market as a new business.

Enterprise in Action

- At home – budgeting, planning a holiday, DIY, moving.
- In work - creating new websites, new ways to serve customers more efficiently.
- Enterprise in school – students running their own clubs, school fashion shows, student council or mini companies.
- In the community – meals on wheels, volunteering at a school fair, fund raising, neighbourhood watch.

Importance of Enterprise

Entrepreneurship is important because it creates jobs for people in local areas. It also increases the amount of tax collected by the government and reduces the amount of Social Welfare paid out. A lot of businesses reinvest their profits which helps to grow the economy. They also provide products that are much needed by consumers. Enterprise is really important as when person sets up a business, they encourage others to do the same. This is called 'enterprise culture'.