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The background features a blurred photograph of a desk. On the desk, there is a small potted plant with green leaves, a black pen, and a spiral-bound notebook. The image is framed by dark purple geometric shapes in the corners.

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TRAINING & EXECUTIVE
COACHING



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MODULE 2:

INTRODUCTION TO ENTREPRENEURSHIP





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LEARNING UNIT 1

ENTREPRENEURIAL PROFILE

- Demonstrate an understanding of an entrepreneurial profile SAQA 2633356



LEARNING **OUTCOMES**

- By the end of this unit, you will be able to:
- Describe and discuss entrepreneurship
- Identify and describe the characteristics of a successful entrepreneur.
- Identify, assess, and improve personal entrepreneurial characteristics.
- Explain and demonstrate effective teamwork strategies in an entrepreneurial context



WHAT IS AN **ENTREPRENEUR**

- An entrepreneur is typically an individual who creates a new business, plays an active role in its operations, assumes most of the financial risk, and enjoys most of its success.
- Entrepreneurs often start their endeavours by bootstrapping—clearing their savings to cover costs and keeping expenses to a minimum because of limited capital or investment. They do this in the hopes of growth and big rewards.



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WHAT IS AN **ENTREPRENEUR** VIDEO

- <https://youtu.be/92ZmzD70sOU>
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THE DISTINCTION BETWEEN AN **ENTREPRENEUR** AND AN **INTRAPRENEUR**

- An intrapreneur may be part of an innovation team or simply find new opportunities for their company
- An intrapreneur is a more updated version of an entrepreneur.



IMPORTANCE OF **INTRAPRENEURSHIP**

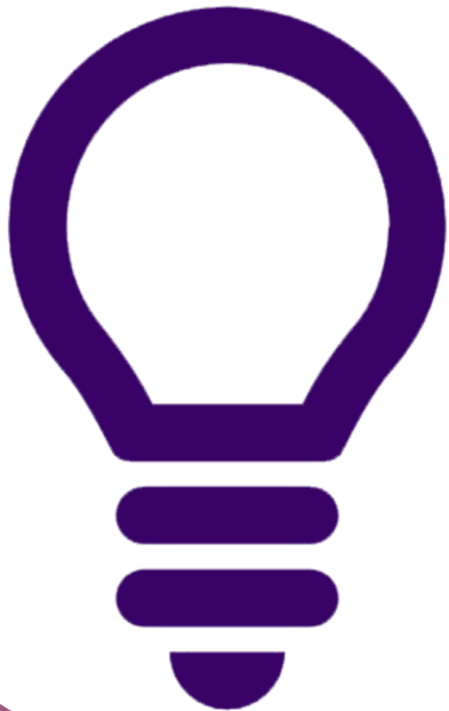
- The South African economy is currently under great pressure (as is the global economy). By means of intrapreneurship the existing enterprise can make a positive contribution to the economic welfare of the country.
- There are social threats in the form of unemployment and financial instability. These threats can be effectively addressed through intrapreneurship.
- Technological developments are increasing at a tremendous rate. In order to remain competitive, an enterprise must keep pace with these developments.



PRINCIPAL REASONS FOR **ENTERING** THE **INFORMAL** **SECTOR IN** **SOUTH** **AFRICA**

Survival

- A large proportion of the entrants to the informal sector take this course as a way to survive. Job opportunities in the formal sector are relatively scarce or non-existent, while poor remuneration, staff reductions and the closure of enterprises force people to turn to the informal sector. A lack of working experience and training makes it difficult for people to enter the formal sector as employees.



REALISATION OF **ENTREPRENEURIAL APTITUDE**

- The desire to provide one's own innovative product or service is a further reason for entering the informal sector. The entrepreneur regards the informal enterprise as an important starting point and training – school for the eventual establishment of a formal employee



HIGH TAX RATES

As a result of South Africa's high tax rates, people need to supplement their disposable personal income by entering the informal sector. The informal entrants to this category are not motivated by survival or an entrepreneurial predisposition but by insufficient wages and a desire to evade taxation.



OBSTACLES OF **INFORMAL ENTREPRENEURS**

- Lack of suitable premises
- Lack of initial capital
- Lack of finance
- Lack of business skills and expertise



ADVANTAGES OF **ENTREPRENEURSHIP**

Independence

The independence emanating from ownership and management of one's own business allows entrepreneurs to pursue what they personally regard as important.

Entrepreneurs can integrate personal preferences more effectively in the development of their own business than in the corporate environment.



SELF DISCOVERY/ **PERSONAL GROWTH**

- Entrepreneurship is an instrument for self-actualization. The personal skills, creative abilities and tenacity of the entrepreneur are used in full during the establishment and development process.
- A lot of challenges develop the character and personality of the entrepreneur in ways they never thought possible. They come out very balanced and resourceful people that learn self-mastery and mind control.



FINANCIAL **INDEPENDENCE**

- Within the capitalistic system the reward for successfully satisfying market needs is of a financial nature. Although the profit motive is not indicated as the most important motivation for entrepreneurship, the financial advantage enjoyed by the successful entrepreneur is still a crucial consideration



OPPORTUNITY **TO GIVE BACK** TO THE COMMUNITY

- By satisfying needs, the entrepreneur contributes to the development of the society in which he functions. Apart from financial success, successful entrepreneurs often enjoy status in society and are acknowledged with hero-worship, power and authority.



FLEXIBILITY OF **JOB DESCRIPTION**

- The only thing that limits your pursuit of a dream as an entrepreneur is your imagination. If you think there is an idea that you can follow, then go after it with everything that you have.



ENTREPRENEURS

GET TO BE THE INNOVATORS OF THEIR INDUSTRY

- Entrepreneurship succeeds when you get to put an idea out to your targeted demographics before anyone else. Bringing something first to the market is an exciting adventure. It may not always be a story that ends in wealth, but it is one of the absolute joys of this process. You get to be on the forefront of problem solving for your community. You are turning your passions into revenues. It does not take a lot of money to get started either. If you have the drive to be an entrepreneur, then you can innovate.

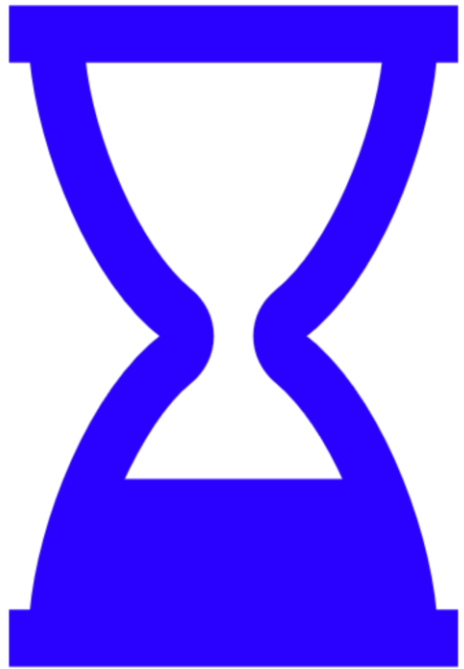


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DISADVANTAGES

of Entrepreneurship





LONELINESS

- There are no off days when you embrace this journey. If you are not working, then you're not earning. There are no paid lunches, no weekends off, no holiday pay, and no benefits. It is you vs. the rest of the world.



RISK OF LOSING IT ALL

- Entrepreneurs are forced to invest personal capital in the new business. If the business fails, personal capital is lost. It influences the personal security of the entrepreneur and his family. If other investors also lose capital in the process, the entrepreneur's guilt is increased.



UNCERTAIN INCOME

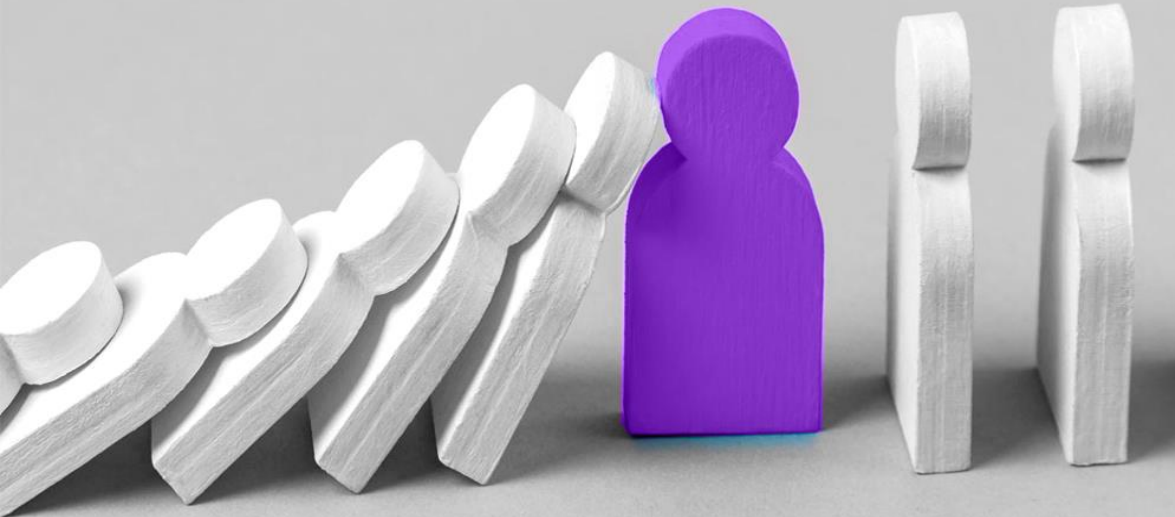
- Entrepreneurship does not guarantee a comfortable monthly income for the entrepreneur. Cost may exceed income during the development phase of the new business. Entrepreneurs come last in the compensation of production factors.



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REPUTATION/SELF CONFIDENCE

- A business failure implies personal failure. A business failure harms the entrepreneur's standing in society. As much as society honours successful entrepreneurs, they also criticize unsuccessful ones. Loss of status and criticism may damage the entrepreneur's self-confidence and discourages further- development of entrepreneurial abilities.





DECREASED QUALITY OF LIFE

- Most entrepreneurs enter the market between the age of 25 and 39 years. The long hours and hard work required of the entrepreneur create tension in the family and socially. Friendships are often sacrificed at the cost of business success. The situation might improve when the business is well established and then the entrepreneur may have more time for his family and friends



TOTAL RESPONSIBILITY

- Entrepreneurs are forced to decide about matters with which they are not properly acquainted. This and the realization that the success or failure of the business may depend on such a decision, may be stressful for certain individuals



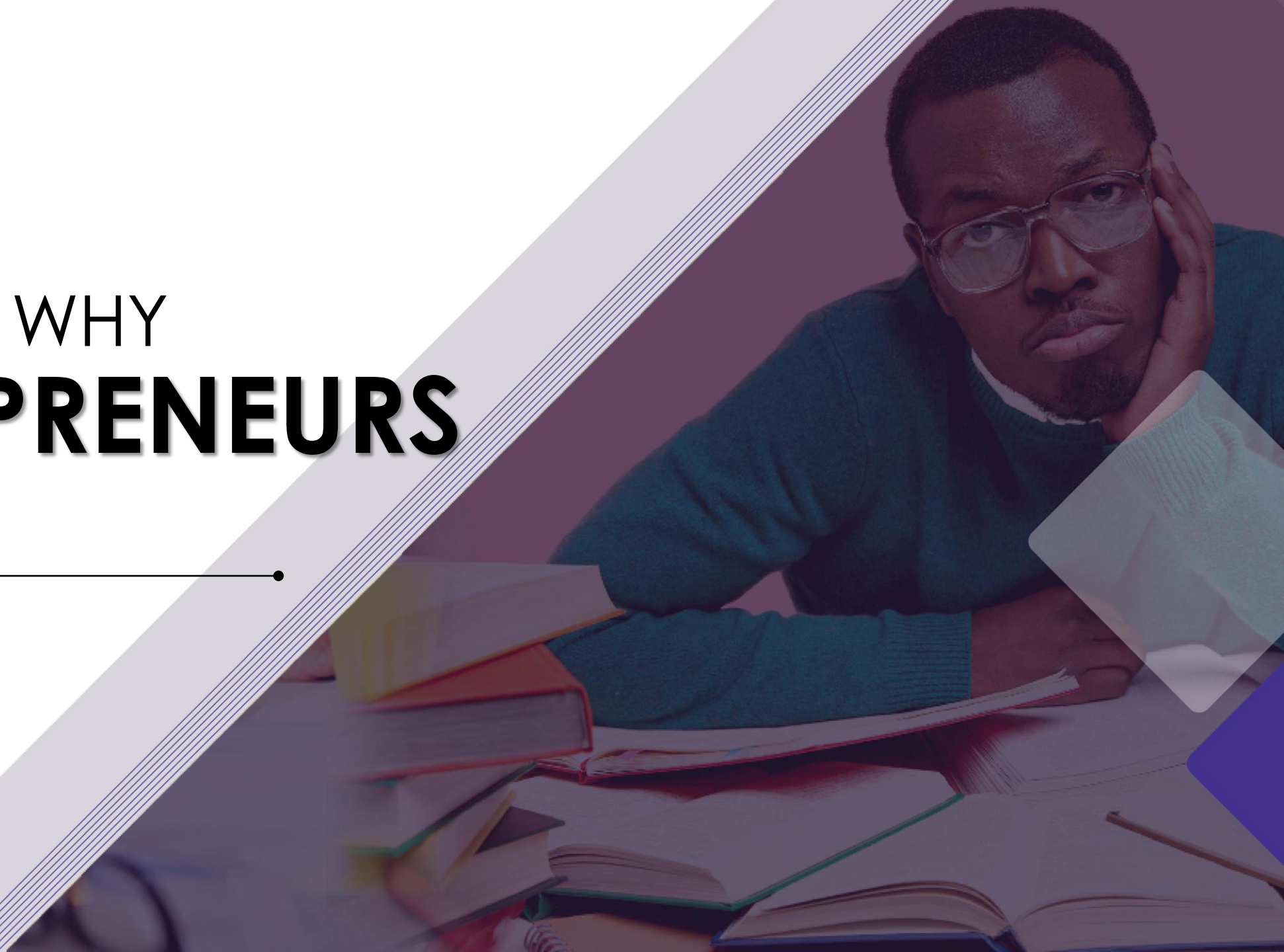
STRESSFULNESS

- Meditation is the most common habit that people have when they pursue an idea as an entrepreneur. Exercise is another great option to consider if you need to limit this disadvantage. If you burn calories every day with a workout routine, then you are less likely to take out your irritation on others or yourself. Then try to greet each new day with an extra helping of gratitude.



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REASONS WHY **ENTREPRENEURS** FAIL





FAILURE TO DELIVER **REAL VALUE**

- At the heart of any business is value. The world's most successful businesses deliver the most value. Plain and simple. Find a way that you can under-promise but over-deliver. Always over-deliver. No matter what the situation. If you're looking for a fast buck or to get rich quick, you'll quickly find yourself at a dead end. Instead, focus on the real value proposition. If you're not adding as much (if not more) value as your competitors, then you need to rethink your approach.



FAILURE TO CONNECT WITH **THE TARGET AUDIENCE**

- If you can't connect with your target audience, your business will fail. An inability to connect with your demographic means that not only are you unaware of your potential consumer's wants and needs, but you're also oblivious to how you can best help them. What do they want? Not just what they need. But who are they and what do they really want? Is it to invoke a certain emotion? To attain a certain status. How is your product or service going to help them solve their problems?



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FAILURE TO OPTIMIZE CONVERSIONS

- Most entrepreneurs have so much that they need to deal with that they forget to address the absolute heart of any business. Without optimizing conversions, no matter what a business does, especially if it raises money and has a high burn rate, it'll be futile trying to survive when the money runs dry. Address the conversions early on to ensure that there's a positive ROI on any ad spends. Then you know you have a sustainable business.



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LACK OF **AUTHENTICITY AND TRANSPARENCY**

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- Businesses that lack authenticity and transparency will fail. Maybe not today or tomorrow, but one day soon. Without the customer's needs in sight, and a focus on the wrong things, businesses could easily lose the consumer's trust. Rather than risk that from happening, focus on being authentic, transparent, and finding ways that you can give more rather than take. It's a rare commodity in business, but one necessary if it's going to survive for the long term.



UNABLE TO COMPETE **AGAINST** **MARKET** **LEADERS**

- Staying afloat is very harder when competition is fierce and smaller businesses have a bulls eye on their backs, especially true in lucrative markets where the stakes are high. If smaller businesses can't compete against their larger counterparts, they need to find ways to enter and stay in business. To do that takes a focused business sense and true guts.



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INABILITY TO CONTROL EXPENSES

- It's easy to spend when there is an economic boom. But having an acute sense to control the company's expenses is imperative. Much of this comes back to the founder's personal money habits. Or are they detrimental? When the expenses spiral out of control, or a founder uses much of the company's money for personal or frivolous expenses, it's impossible for the business to survive.



LACK OF **STRATEGIC** AND **EFFECTIVE LEADERSHIP**

- Most businesses lack strategic and effective leadership. Without real experience in the business world, most newcomers to the entrepreneurial world struggle with the overwhelming amount of demands placed on them. When problems do arise, which they often do, navigating those difficult times becomes an impossible task. That's why businesses, big or small, need to build up their board of seasoned advisors, and founders need to find trusted mentors, if they're serious about longevity.



FAILURE TO **BUILD AN EMPLOYEE "TRIBE."**

- Your employee tribe and culture is crucial for long-term success. Most businesses will fail because they forget about their employees. When it becomes an us-versus-them scenario between executives and employees, a downward spiral begins to occur. That spiral might not happen overnight. It might take years to occur. But it does happen. And when the opportunity is right, the best employees jump ship to go somewhere they are well appreciated



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FAILURE TO CREATE THE PROPER BUSINESS SYSTEMS

- Sales funnels aren't the only automation required to run a successful business that's built for the long term. Other proper business systems need to be put in place. CRMs need to be implemented and customized. Policies need to be enacted. Financial audits and tracking procedures need to be created. And so on. Without a good deal of systems and automation, the amount of work becomes overwhelming and the details can easily be overlooked.



WRONG LOCATION

- Location is critical to the success of your business.

Whereas a good location may enable a struggling business to ultimately survive and thrive, a bad location could spell disaster to even the best-managed enterprise.



LACK OF PLANNING

- Many small businesses fail because of fundamental shortcomings in their business planning. It must be realistic and based on accurate, current information and educated projections for the future



OVEREXPANSION

- A leading cause of business failure, overexpansion often happens when business owners confuse success with how fast they can expand their business. A focus on slow and steady growth is optimum. Many a bankruptcy has been caused by rapidly expanding companies. At the same time, you do not want to repress growth. Once you have an established solid customer base and a good cash flow, let your success help you set the right measured pace



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LACK OF ONLINE PRESENCE

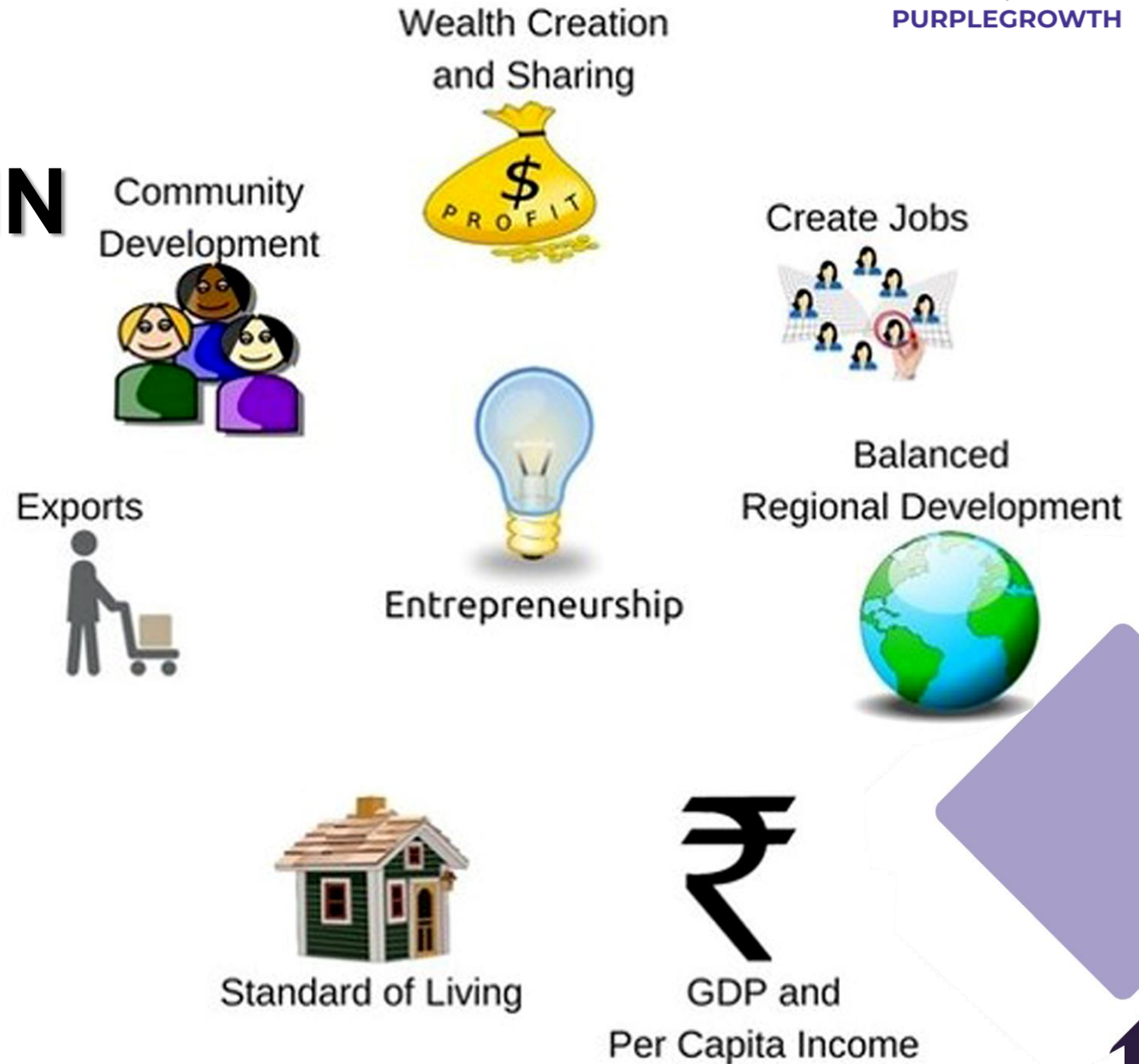
- Social media is quickly becoming one of the most important aspects of digital marketing, which provides incredible benefits that help reach millions of customers worldwide.
- And if you are not applying this profitable source, you are missing out an incredible marketing opportunity, as it makes it easy to spread the word about your product and mission.





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THE ROLE OF ENTREPRENEURSHIP IN SOCIAL DEVELOPMENT





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WHAT IS MEANT BY **SOCIAL RESPONSIBILITY?**

- Social responsibilities include:
- Commitment of the business to behave in an ethical manner
- Contribute to social development
- Improve the quality of life of the workforce as well the local community and society at large.





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WORKBOOK

ACTIVITY 1





THE CHARACTERISTICS OF AN ENTREPRENEUR

Risk-taking

Successful entrepreneurs take calculated risks. This means they evaluate opportunities realistically.



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CREATIVITY AND INNOVATIVE ABILITY

- Creative thinking and innovative ability are fundamental to starting a new enterprise. Creativity is needed to establish a business where nothing existed previously. Adjusting or refining existing procedures or products, identifying opportunities and solving problems all require creativity. Creativity is about new ideas, innovation.



HUMAN RELATIONS

- Good long-term relationships with suppliers, clients and others involved in the enterprise can be the difference between success and failure. Entrepreneurs realise they cannot be successful in isolation.





PERSEVERANCE

- Good | Setbacks, difficult situations and problems do not influence entrepreneurs negatively. They regard these as part of the process and remain positive. They have confidence in themselves and their enterprises.
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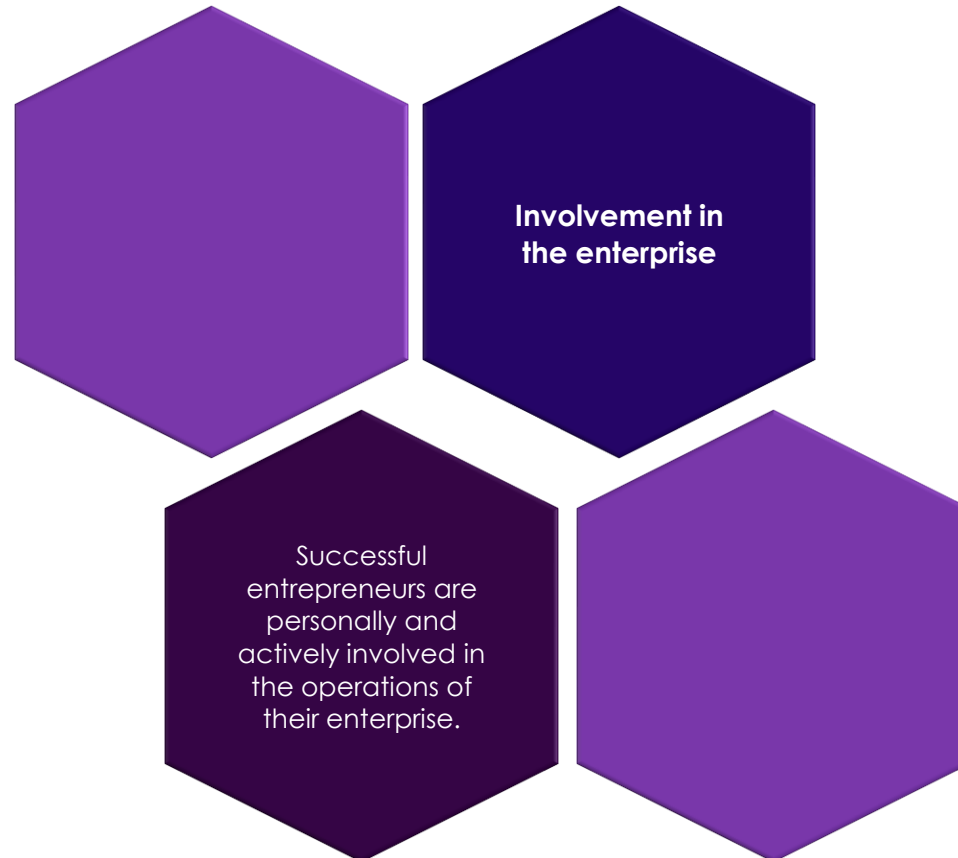
COMMITMENT TO THE **ENTERPRISE**

- Entrepreneurs dedicate their resources to establishing and building the enterprise by, for example, using their own money in the enterprise, even taking a mortgage on a property, and working long hours.



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INVOLVEMENT IN THE ENTERPRISE





POSITIVE ATTITUDE AND APPROACH

- Failure is seen as a learning experience by successful entrepreneurs. They are realistic and accept that disappointments are inevitable, and are not discouraged when problems occur. They are able to identify opportunities even in adverse and difficult situations.



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FINANCIAL INSIGHT

- To be successful entrepreneurs need to distinguish between income and profit. Furthermore they need to know which costs are essential and understand the impact of increased expenses.



CUSTOMER **SERVICE**

- All successful entrepreneurs know who their competitors are, their strengths and weaknesses, the quality of their products or services and their market share



PLANNING

- A business plan ensures that the entrepreneur considers the most important issues when setting up business. It also serves as a guide in the management of the enterprise.



INDIVIDUAL ENTREPRENEURIAL CHARACTERISTICS

- **1. Creative**
 - Entrepreneurship starts with an idea. To be successful, you need to always be thinking of new ideas and better ways of doing things.
- **2. Passionate**
 - Perhaps the most important characteristic for entrepreneurs, passion is essential to any business owner or working professional's success. Without passion, there is no reason for your work and no drive to do it.
 - Entrepreneurs love what they do and are extremely dedicated to the businesses they create. To be successful, you must be confident in yourself and your business, and you must be proactive with what you do and how you do it.



MOTIVATED

- Because of their passion for their ideas, entrepreneurs are willing to put in the long hours and hard work required to launch and run a successful new business.
- Are you self-motivated? Entrepreneurs are their own boss, which means there's no one telling them to do things.



OPTIMISTIC

- Do you see the glass half empty or half full? For entrepreneurs, it's always half full. Entrepreneurs always look on the bright side and are constant dreamers.
- They look at how they can do things better and make the world a better place. They never dwell on the past or the negative. Instead, they focus on moving forward and moving up.
- When they're confronted with challenges, entrepreneurs don't see them as problems; they see them as opportunities.
- Challenges fuel entrepreneurs and make them reach higher and do more.



FUTURE-ORIENTED

- Because entrepreneurs are focused on moving forward, they are always looking toward the future.
- Entrepreneurs are very goal-oriented and know exactly what they want. They set their goals and everything they do is aimed at achieving those goals.
- Having a strong vision helps propel you toward accomplishment. Consider setting a goal for yourself - a north star that can guide you on your path to success



FLEXIBLE

- Entrepreneurs know how to adapt to unfamiliar situations.
- If their business requires that they learn how to build a website or send an invoice, they'll do it.
- Whatever it takes, entrepreneurs are ready and willing. They always approach things with an open mind and are willing to change course if they need to.



DECISIVE

- There is no room for procrastination in business.
- Entrepreneurs know what needs to be done and don't hesitate to make the decisions that will lead them to success.
- They don't let opportunities pass them by; instead, they seize the day and get the job done.



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AGRI-PRENEUR

- <https://youtu.be/JAvt2qv1r0>





STRENGTHS AND WEAKNESSES AS AN ENTREPRENEUR

- Ask yourself the following questions in identifying your strengths and weaknesses.
- What do you feel are your main strengths?
- What do you feel are your more serious weaknesses?
- How do you think someone else might answer the above two questions about you?
- What talents do you possess and in what situations have you been able to use them?
- How would you personally define the idea of having a job or being employed?
- Now, things are already starting to make sense, or you are beginning to have doubts.
- Either way, listen to your feelings and trust yourself. In the end, these are only tools for you to use in your evaluation process, nothing more and nothing less.



SKILLS VS EXPERTISE VS APTITUDE OF AND ENTREPRENEUR



Knowledge is the theoretical or practical understanding of a subject



Skills are the ability to do something developed through training or experience



Abilities are the qualities of being able to do something



Aptitude: It is a natural ability or skill. Each person is born with aptitudes and talents. Some are artistic, some have a talent for communicating, and others have a flair for figures.



Personality: It is a person's own distinctive character.



Values: Standards or principles considered to be of great worth or importance.

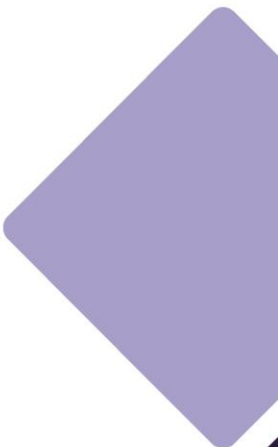


Expertise: Expertise is based on knowledge that one acquires.



ENABLING PROGRAMMES FOR THE ENTREPRENEUR

- SEDA
- Industrial Development Corporation. ...
- The Small Enterprise Development Agency (SEDA) ...
- 3 The South African Women Entrepreneurs' Network (SAWEN) ...
- Ntsika. ...
- National Empowerment Fund. ...
- Land Bank. ...
- Tourism Enterprise Programme. ...
- South African Institute for Entrepreneurship.





FEAR AS BLOCK

- Your fear becomes the biggest hindrance in your path to success.
- So, if entrepreneurship is what you are looking at you would need to work on yourself to release your negative self-beliefs and build your confidence.
- The problem is that with time our negative beliefs become like long held bad habits, which are difficult to break



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METHODS TO **ENHANCE AN ENTREPRENEURIAL PROFILE**

- Visualization
- Positive Thinking
- Affirmation
- Law of attraction





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ACTIVITY 2





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ENTREPRENEURSHIP **MINDSET**

- https://youtu.be/_ohV83_6_AY





VISUALISATION

- Visualization is big word that describes a simple, yet powerful and effective technique for creating whatever you want. Visualization is a proven subconscious mind technique used to help you change habits or achieve your goals.
- Vision boards are a great example of visualisation.



POSITIVE THINKING

- Positive thinking is a mental attitude that admits into the mind thoughts, words and images that are conducive to growth, expansion and success.
- It is a mental attitude that expects good and favourable results.
- A positive mind anticipates happiness, joy, health and a successful outcome of every situation and action. Whatever the mind expects, it finds.



AFFIRMATIONS

- "**Positive Affirmations**", which are usually short positive statements targeted at a specific subconscious set of beliefs, to challenge and undermine negative beliefs and to replace them with positive self-nurturing beliefs.



LAW OF ATTRACTION

- The law of attraction is simply the law of the Universe that whatever you desire for and intend to have, you will attract it to you. In short, your thoughts dictate what you experience in reality.
- The theory behind the Law of Attraction is that we create our own realities. We attract things we want and we also attract things we don't want.
- We attract the people in our lives, the stuff in our homes and the money in our bank accounts through our thoughts and feelings.



AN UNDERSTANDING OF **MENTAL LAWS**

- **What you think upon grows –**
- This law states that whatever you think about becomes your existence. Whatever you allow to occupy your mind you magnify in your life.
- Whether the subject of your thoughts be good or bad, the law works and the condition grows.
- The more you think about lack, bad times, etc., the worse will your business be; and the more you think of prosperity, abundance, and success, the more of these things will you bring into your life.



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- **Law of Cause and Effect (The Path Principle) –**
 - The direction you set in your life will determine your destination in life.
- **Law of Correspondence (The BE – DO – HAVE Principle) –**
 - “First, within, then without.” To have what you want in your life you have to first conceive of it in your mind.
- **Law of Substitution** – The only way to remove a negative thought from your mind is to substitute another thought in its stead.



- **Law of Belief** – Anything that you believe with feeling will become real in your life.
- **Law of Attraction** – You will attract to yourself those things in your life that are most like yourself. If you are positive, you will attract positive things to your life and vice versa.
-
- **Law of Compensation** – You must give freely, without any thought of reward. If you give while thinking of reward you aren't giving, but are instead investing.



PARADIGM SHIFT FROM **EMPLOYEE TO ENTREPRENEUR**

- Spend time thinking about what it is you're valuing about your own career.
- If you're an entrepreneur who's hiring, take time to consider whether your location is a barrier to employment, and whether your compensation aligns with what a candidate is looking for.
- Don't wait until you start your business to get involved in the industry.
- Beef up your savings account. Before you quit your job, make sure you have at least six months of living expenses saved.
- Get a mentor
- Work smarter not harder





DESIGN A PERSONAL **STRATEGIC PLAN**

- Your personal mission
- **Long- and short-term goals**
- Live your personal plan
- To develop your vision of the future, start with this small worksheet, and ask yourself, “What?”
- What do you want for your future?
- What would your future look like if there were no financial restraints?
- No time constraints?



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ACTIVITY 3

