

# ENTREPRENEURSHIP AND COMMUNICATION SKILLS

## CHAPTER ONE

### 1.0 ATTRIBUTES OF ENTREPRENEURS AND ENTREPRENEURIAL CAREERS

In this chapter we shall discuss concept of entrepreneurship and innovation, evolution of entrepreneurship in Kenya, the concept of entrepreneurship culture, the entrepreneurial cultural practices in Kenya, various theories of entrepreneurship and the role of entrepreneurship in economic development.

#### General objectives

By the of the course the learner should be able to explain the attributes of entrepreneurs and entrepreneurial careers,

Specifically the learner should be to:

1. Define and explain the basic terminologies used in entrepreneurship.
2. Explain the concept of entrepreneurship and innovation
3. Explain the evolution of entrepreneurship in Kenya
4. Explain the concept of entrepreneurship culture
5. Discuss the entrepreneurial cultural practices in Kenya
6. Explain various theories of entrepreneurship
7. Discuss role of entrepreneurship in economic development

### 1.1 Introduction

#### 1.1.1 Definition of Entrepreneurship and Entrepreneurs

Definition an entrepreneur

- ✓ An entrepreneur is basically a person who identifies a business opportunity, harshness and obtains the resources necessary to initiate a successful basis activity.
- ✓ The entrepreneur implements the idea
- ✓ Undertakes to operate the business
- ✓ An entrepreneur is therefore a central key individual in the society who makes things happens for economic development.

Entrepreneurship meaning

- ✓ In the broader sense entrepreneurship refers to the means of stimulating innovative and creative undertakings for a better business community or world.
- ✓ Entrepreneurship if French world meaning to undertake and focuses on a business enterprise
- ✓ Entrepreneurship can exist in any situation – therefore it is the creation of values through establishing a business enterprise.
- ✓ Entrepreneurship means having an idea of ones own and trying to implement the idea to create values on it.
- ✓ Entrepreneurship is a term which encompasses what entrepreneurs do i.e

## CHAPTER TWO

### 2.0 EVALUATING ENTREPRENEURIAL OPPORTUNITIES

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In this chapter we shall discuss the procedures of starting a business, the generation and sources of business ideas, business incubation, matching skill and resources to changing technology and protections of business ideas & maintaining secrecy

#### General objectives

By the end of the course you should be able to identify and evaluate entrepreneurial opportunities. Specifically the learner should be able to:

- i) Explain the procedure of starting a business.
- ii) Explain how business ideas can be generated
- iii) Identify the various sources of business ideas
- iv) Explain the concept of business incubation
- v) Discuss the ways of protections of business ideas & maintaining secrecy

#### 2.1 Procedures of Starting a Business

- ✓ Identification of a business idea
- ✓ Development of a business plan
- ✓ Location of a business demand evaluation
- ✓ Registration of the business
  - Choice of the business organization
  - Business name
- ✓ Trading licences / permit
- ✓ Start-up and management of the business.
- ✓ All entrepreneurs are business people – though not all business people are entrepreneurs.
- ✓ Entrepreneurs tend to be more innovative than ordinary business people and end up developing a business plans.

##### 2.1.1 Means of Generating a Business Idea

- a) identifying a need
- b) brainstorming
- c) building on ones skill, hobbies or interests
- d) spotting a market niche
- e) listening to what people say
- f) attribute listening
- g) gaining from waste
- h) look to see and listen to hear
- i) research
- j) importing an idea

- vi) To establish the final outcome of whether or not to proceed with the business.

## 2.4. Business Incubation

- ✓ Business incubation is the process of nurturing small and start – up initiatives or business to relative maturity to become self-sustaining business, healthy and wealth-generating entities.
- ✓ The failure rate of any start-up business stands at 90% globally.
- ✓ The main causes of business
  - i) Insufficient capital for start-up.
  - ii) Insufficient knowledge of business and industry.
  - iii) Lack of Entrepreneurial and business skills.
  - iv) Lack of Managerial skills.
  - v) Inadequate Training.
  - vi) Lack of credit facilities.
  - vii) Lack of markets.
  - viii) Insufficient knowledge of markets.
  - ix) Inadequate infrastructure.
  - x) Non-Empowering political environment.
- ✓ For these reasons, many businesses which are ill-equipped do not survive. A business incubator is important for precisely those reasons above to provide these support services.
- ✓ Statistics show that the success rate for incubated businesses initiatives is very high (over 80%) are bound to succeed.

### 2.4.1 The Incubation Process

- Help with business basics.
- Networking activities.
- Marketing assistance.
- Help with accounting and other financial management.
- Access to bank loans and other funds.
- Link to resource centers such as training institutions.
- Link to strategic partners.
- Help in the identification of a management team.
- Commercializing assistance.
- ✓ The business incubation programmes are designed to accelerate successful development of entrepreneurial companies through an avvary of support resources and services.
- ✓ Incubators vary in the way they deliver their services in their organizational structure and in the types of clients they serve.

## Formation

- ✓ According to the partnership Act (934) a partnership business may come into existence through any of the following ways.
  - i) Orally
  - ii) By actions of persons concerned
  - iii) By a simple put in written
  - iv) By a partnership deed

**NB** the above ways of forming a partnership are allowed by the partnership Act, However its better to remember that it may be made illegal under the following circumstances.

## Circumstances under which the Partnership is illegal

- ✓ If the partnership has been formed for an illegal purpose e.g. theft.
- ✓ If is formed and the partners do not meet the minimum qualifications e.g. auditing
- ✓ Where the partnership contains more than 20 members
- ✓ Where the partnership wants to run their business with the name which does not disclose the true names of all the partners or the name had not been registered under the registration of the business Act under which it is deemed illegal.

## Requirements for the Registration of a Business Name.

- ✓ Under the partnership Act , the partners must furnish the registrar of business names for the following
  - a) The business name
  - b) The general nature of the business
  - c) The principle place of location of the business
  - d) The present Christian and sir names together with their usual residential address.
  - e) The nationality of each partners
  - f) Any other occupation of the partners
  - g) The date of commencement of their business.

## Types of Partners

### a) General partners

- ✓ These are the real partners in new sense of the partners which refers to those partners who are the most active partners in the partnership
- ✓ In most cases the general partner is a reliable of the debts of the partnership.

### b) Limited partners

- ✓ This is a partner whose liabilities are limited to the amount of capital contributed to the partnership business
- ✓ This type of partners do not usually participate in the management of the partnership becus4 if thy do they loose their limited liability in respect to the transaction and decisions participated in.