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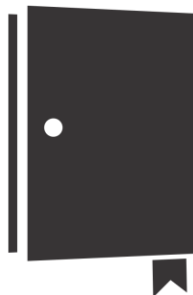
Annex 1

to the

**Basic Curriculum for Entrepreneurship Courses
for Roma**

Intellectual Output 1

Training Material



A new ENTRance

Development of innovative instruments
for promoting entrepreneurship of Roma



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Copyright Statement of the training material

This training material was developed within the framework of the project “A new ENTRance – Development of innovative instruments for promoting entrepreneurship of Roma”. The training material is open and available through the project’s e-learning platform for all learners that will register in the platform and are interested in it.

Introduction

The first educational unit is the «Introduction to Entrepreneurship», and constitutes an introduction to the basic concepts of entrepreneurship.



Purpose

This training module aims to make an introduction to entrepreneurship and its basic concepts. Entrepreneurship is a purposeful activity to initiate, maintain and develop a profit-oriented business and the main aspects of it have to be taken seriously into account by the entrepreneurs in order to establish a viable and sustainable firm.



Learning Outcomes

➤ *In terms of knowledge:*

After finishing the module, the participants will know

- *The meaning of the entrepreneurship*
- *The characteristics of the entrepreneur*
- *The types of the entrepreneurship*
- *The Business environment*

➤ *In terms of knowledge:*

After finishing the module, the participants will know

- *the nature of entrepreneurship*
- *the personal issues with which an entrepreneur must deal*
- *the driving forces of new venture, identifying them*
- *What an entrepreneur must do*



➤ *In terms of competences*

After finishing the module, the participants will be able to

- think creatively and critical

Keywords

- ❖ Entrepreneurship
- ❖ Entrepreneur
- ❖ Business Environment





1.1. What is entrepreneurship?

Entrepreneurship means independently undertaking a business activity of which the outcome is not fixed. Entrepreneurship requires a positive attitude, a drive to advance and improve. You may be a natural born entrepreneur, you can inherit the idea of entrepreneurship or you can grow into it. Anyone can become an entrepreneur no matter what cultural or societal norms may be. Becoming an entrepreneur may also be a decision based on careful and deliberate calculation. Entrepreneurship is not an exact science, and it does not require an extensive education (Toma et al., 2014). Other researchers adopted different approaches as follows:

- ❖ *“Entrepreneurship is a purposeful activity to initiate, maintain and develop a profit oriented business.”* (Cole, 1968, p. 65).
- ❖ *“Entrepreneurship is the set of behaviours that initiates and manages the reallocation of economic resources and whose purpose is value creation through those means.”* (Herron and Robinson, 1993, p. 283).
- ❖ *“Entrepreneurship is the resource, process and state of being through and in which individuals utilize positive opportunities in the market by creating and growing new business firms.”* (Gries and Naudé, 2011, p. 217).

Anybody can choose to be entrepreneurial. External entrepreneurship means acting as an entrepreneur, establishing a company and running a business. Internal entrepreneurship, on the other hand, refers to an individual’s entrepreneurial behaviour at the service of someone else. Independent individual entrepreneurship is developing an active, extroverted, open personality and having a positive attitude towards life.

1.2. Characteristics of an entrepreneur and successful entrepreneurs

“An entrepreneur is a person who likes both their work and their life; work is a hobby and a personal interest.” An entrepreneur is often seen as an active, open person who is interested in what is happening around him/her and in society at large. Entrepreneurs are said to know what they are doing and why they are doing it. They are thought to have a clear understanding of their skills and expertise.



1.2.1. Characteristics of successful entrepreneurs

Entrepreneurs must set a clear goal that they can then seek to attain through concrete actions. A goal is the end result, position or state of affairs that the business aims to be in as a result of specific actions. In some cases, reaching this goal may take several generations and the goals might also benefit society in general.

Entrepreneurs must have a clear idea of why their business exists. The company's mission statement is often only a few sentences long and as such it can be revisited both on a regular basis and as circumstances demand. The mission statement can include one or even several business ideas. With strategy and solid business practices the entrepreneur aims to attain the goals set out for the business and consequently for him or herself. Some of the entrepreneurial characteristics are mentioned below:

<i>ENTREPRENEURIAL CHARACTERISTICS</i>			
creativity and independence	goal-orientation, initiative taking, relentlessness	ability to draw upon the expertise of others	organizational capability
determination and decisiveness	desire to achieve positive results	the desire and ability to learn continuously	the understanding that the success of others also benefits oneself
self-confidence and a belief in one's abilities	ability to motivate, guide, support and lead others	preparedness for harsh competition, desire to be better and more effective than the competitors	ability to cooperate
innovativeness and risk taking	extroverted communication skills and the ability to influence others	ability to learn from both experience and failure	vision



In addition, according to Arasteh and his colleagues (2012), some more characteristics are stated below in a list:

- ✓ Focus of Control
- ✓ Need to Achievement
- ✓ Clearness of Thought
- ✓ Pragmatism
- ✓ Tolerance for Ambiguity
- ✓ Dreaming
- ✓ Seeking to Challenge
- ✓ Academic Level Risk Taking
- ✓ Locus of Control

The following video could help you to obtain an even more holistic view about the specific traits that describe an entrepreneur.



1.3. Types

Entrepreneurs

Entrepreneurs can be classified in a number of different ways. The following are two such classifications.

1.3.1. Classification according to motive and business practice

Entrepreneurs can be categorized as either opportunistic or professional entrepreneurs based upon the individual's motives and business practices. Opportunistic entrepreneurs seek growth and continuously scan the business environment for new business opportunities and possibilities to exploit. A professional entrepreneur is generally a sole entrepreneur who is independently self-employed.

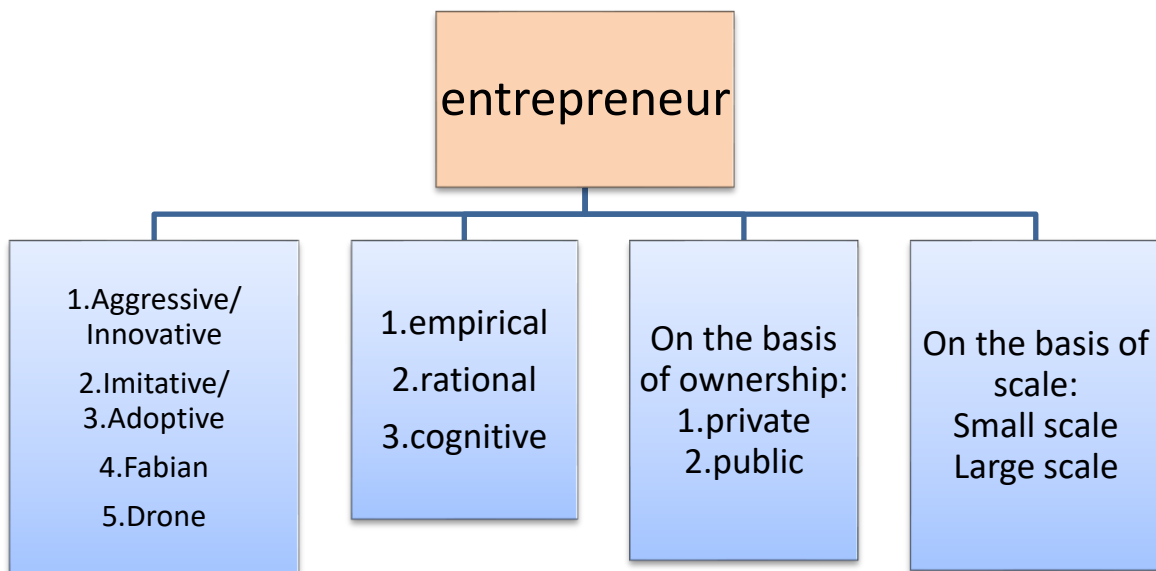


Entrepreneurship is not only a profession but it is a way of life for the professional entrepreneur. The growth of the business is not the primary objective. The goal of this entrepreneur is to provide for him or herself.

1.3.2. Classification according to social identity

Entrepreneurs can also be classified according to their social identity. Entrepreneur-managers are the natural leaders of growing firms. These entrepreneurs play an active role in society and they know their place within the firm. The goal of this entrepreneur is to manage and grow the firm for the next generation. Craftsman entrepreneurs, on the other hand, emphasize service and the importance of customer satisfaction. Their primary reason for starting their own business is independence. A third type of entrepreneur is the classical entrepreneur. The classical entrepreneur seeks business results and to maximize the profitability of the firm.

In particular, there is a variety of classifications of entrepreneurs. According to Clarence Danhof and/or Arthur H. Cole Classification and so on, it results that there are four types of entrepreneurs as illustrated below.





1.4. The business environment

Society's opinion and its valuation of entrepreneurship affect the business environment. Therefore, it is necessary to also look at entrepreneurship in a wider context. The business environment has a significant impact on determining a company's potential and success.

Therefore, thoroughly thought out business goals and strategy must take into account the environment and must be ready to adapt to possible changes. The business environment may present the entrepreneur many opportunities though it may also create difficult obstacles.

It is a combination of internal and external factors that influence a company's operating situation.

The business environment can include factors such as:

- ✓ clients and suppliers;
- ✓ its competition and owners;
- ✓ improvements in technology;
- ✓ laws and government activities;
- ✓ and market, social and economic trends.

Chart 1. The business Environment





1.5. An entrepreneur's work

An entrepreneur's daily work is quite different from that of a regular employee. Working for someone else is much less risky than establishing and managing a business. While being an employee certainly has its benefits so does being an entrepreneur. The following are certain practical examples of a typical entrepreneur's work.

1.5.1. Customer demands and freedom

The customers' demands drive an entrepreneur. As an entrepreneur, no managers sit above you providing instructions or orders as to how you should do your work. Instead, the entrepreneur receives direct feedback on successes and failures from the customer. The entrepreneur's own objectives determine the development of the business. Being an entrepreneur always involves financial risk. However, one of the benefits of entrepreneurship is the feeling of success that arises from having gained the confidence of a customer. The most sought-after benefit of being an entrepreneur is freedom. This freedom allows the entrepreneur to truly be in control of his or her own life.

1.5.2. Healthcare and social benefits

Healthcare is generally the responsibility of the individual entrepreneur. In the case of illness, health insurance policies may provide a daily allowance though an entrepreneur cannot receive paid sick leave. An entrepreneur rarely has the time or money to be sick. Maternity, paternity, and other leaves of absence are generally difficult to arrange. However, establishing a functioning work-life balance is a challenge not only for entrepreneurs but also for regular employees.

1.5.3. Work time

The duration and time at which an entrepreneur works is largely dependent on the entrepreneur's own circumstances. The entrepreneur is free to set his or her own work routines. This can, on occasion, mean that workdays stretch late into the evenings and free time may be quite scarce at times. Some entrepreneurs may have difficulties separating their work and personal lives.



1.5.4. Social security, unemployment and retirement

An entrepreneur's social security is safeguarded through the entrepreneur's insurance and the general unemployment insurance. The Self-Employed Persons' Pension Insurance is mandatory for entrepreneurs and is based upon the entrepreneur's declared income. The entrepreneur is responsible for his or her own unemployment and pension insurance and must pay for them at their own expense. In addition to these mandatory policies, the entrepreneur can take out additional insurance policies by which to safeguard skills, know-how and living expenses through retirement.

Success story

The case of Alibaba

Jack Ma: Jack Ma, who founded Alibaba and is its Executive Chairman, was rejected from as many as 30 jobs, including a job at KFC before he became the richest man in China. His e-commerce company, Alibaba attracts 100 million shoppers a day and his real-time net-worth is a whopping \$21.9 billion. However, being the richest person in China did not come easy to Ma. He went through a lot of rejection before seeing all the unprecedented success.

For starters, Jack Ma revealed in a recent interview that he failed three times a college entrance exam. Unfortunately, it did not just end there. Ma faced more obstacles when he founded Alibaba in 1998. The brand did not turn profitable for the first three years and Jack Ma had to get creative.

One of the company's main challenges was that it had no way to do payments and no banks would work with him. This is when he decided to start his own payment program called Alipay. The program transfers payments of different currencies between international buyers and sellers.

"So many people I talked to at that time about Alipay, they said, 'this is the stupidest idea you've ever had,'" he said. "I didn't care if it was stupid as long as people could use it."¹

¹ <http://www.businessinsider.in/Thesethree-success-stories-of-entrepreneurs-are-bound-to-inspire-you/articleshow/50546793.cms>



Learning Activities

TASK 1

After reading the first module, please complete the follow sentences.

1. Entrepreneurship is the set of behaviours _____
2. An entrepreneur is a person who likes _____
3. Some of the characteristics of entrepreneurs are creativity _____, goal-orientation, determination _____, desire to _____, self-confidence _____, ability to motivate, _____ lead others.

TASK 2

Read the sentences below and circle the right answer.

1. One of the factors that business environment can include is:
 - a. clients and suppliers
 - b. customers
 - c. social enterprises
 - d. sponsors
2. An entrepreneur
 - a. Isn't pragmatic
 - b. Never seeking to Challenge
 - c. Has locus of Control
 - d. Doesn't need achievements
 - e. Doesn't need to be innovative
3. Entrepreneurs
 - a. Have to set a clear goal
 - b. Don't need to have a clear idea
 - c. Don't need to have a mission
 - d. Can be pessimists
4. An entrepreneur
 - a. works all day and night
 - b. depends with his/her work on a variety of external circumstances
 - c. is free to set his or her own work routines



- d. works a few hours per day

Summary

The main objectives of his training material were to introduce the trainees into the basic concepts of entrepreneurship and its dimensions. As we saw, entrepreneurship is a purposeful activity to initiate, maintain and develop a profit oriented business and the main aspects of it has to be taken seriously into account by the entrepreneurs in order to establish a viable and sustainable firm. Entrepreneurs can be classified according to their social identity.

Nowadays the effect of entrepreneurship is obvious to business environment as the business environment has a significant impact on determining a company's potential and success. In addition, the business environment may present the entrepreneur many opportunities though it may also create difficult obstacles.

In terms of an entrepreneur's daily work, it can be said that is quite different from that of a regular employee as an entrepreneur can work independently as many hours as he wants and he can.

Finally, entrepreneurship plays a vital role in today's business environment drives into innovation and openness. Entrepreneurial spirit is characterized by innovation and risk-taking and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

Bibliography

Add here the bibliography references

