

<p>INTRODUCTION TO ENTREPRENEURSHIP EDUCATION</p> <p>Entrepreneur: an entrepreneur is a person who has the ability to spot and evaluate business opportunities, gathers the necessary resources, starts a business and takes appropriate activities to ensure its success.</p> <p>ENTREPRENEURSHIP, This refers to the process of creating an opportunity and pursuing it regardless of the resources currently controlled.</p> <p>Entrepreneurship education This is the study that is concerned with providing students / people with knowledge and skills for creating an opportunity for their own business to be successful using their available resources.</p> <p>COMPONENTS OF ENTREPRENEURSHIP EDUCATION</p> <ul style="list-style-type: none"> ✓ Opportunity recognition. ✓ Commercial opportunity. ✓ Allocating resources in the face of risk. ✓ Initiating a business venture. ✓ Instructions in traditional business disciplines such as management. ✓ Marketing information systems and finance. 	<p>COMPONENTS OF ENTREPRENEURSHIP EDUCATION</p> <ul style="list-style-type: none"> ✓ Opportunity recognition. ✓ Commercial opportunity. ✓ Allocating resources in the face of risk. ✓ Initiating a business venture. ✓ Instructions in traditional business disciplines such as management. ✓ Marketing information systems and finance. <p>IMPORTANCE OF STUDYING ENTREPRENEURSHIP EDUCATION</p> <ul style="list-style-type: none"> ✓ It provides one with knowledge and skills of setting up, ✓ It enables students to integrate programmes that teach practical skills for starting and expanding business enterprises. ✓ Equips one with skills of how to mobilize the various resources needed in production like human resource, financial resources (like capital) ✓ It provides one with knowledge on how to properly relate and communicate with clients /customers. This is because in business a customer is the boss. ✓ It provides one with skills of how to scan the environment so as to identify existing and new business opportunities. ✓ Through entrepreneurship, one develops the skills of taking self-employment as a career. ✓ It provides one with the necessary skills to have a successful business, like marketing skills, financial management skills, personal skills etc. 	<p>THE ROLES OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT</p> <p>The need for entrepreneurship development for the economy is quite obvious</p> <ul style="list-style-type: none"> ✓ Promotion of small enterprises in a society ✓ Generation of employment opportunities from the numerous ventures being established. ✓ Promote innovation. ✓ Encouraging the use of the locally available resources. ✓ Correcting regional imbalances in such backwards regions. ✓ Reduces income inequality. <p>Role of entrepreneurs to the development of the economy and society</p> <ul style="list-style-type: none"> ✓ Creation of employment opportunities ✓ Creation of wealth ✓ They provide linkage between sectors ✓ They are a source of government tax revenue ✓ Provision of infrastructures. ✓ Promotes Balanced Regional Development. ✓ Increasing Gross National Product and Per Capita Income. ✓ Promotes Country's Export Trade. ✓ Improvement in the Standard of Living. ✓ Community Development. ✓ Effective Utilization of Resources. ✓ Promote technological development.
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<p>FACTORS THAT DETERMINE THE EMERGING OF ENTREPRENEURS IN AN ECONOMY.</p> <ul style="list-style-type: none"> ✓ Education background/ growth of education. ✓ Family background. ✓ Desire to work independently. ✓ Desire for taking personal responsibility to gain and keep independence. ✓ Financial incentive. ✓ Availability of necessary inputs/ facilities. ✓ Level of job satisfaction. ✓ High demand or desire to exploit an opportunity or fill a market gap. ✓ Government policies on entrepreneurship. ✓ Cultural factors. ✓ Level of employment. ✓ Previous work experience or turning a hobby into a business. ✓ Desire to cater for the future. ✓ Profit margin. ✓ Encouragement from existing big firms. ✓ Availability of social security/insurance. ✓ Level of infrastructural development. <p>ENTREPRENEURSHIP CULTURE</p> <p>Is a culture that encourages the whole population to take advantage of the abundant opportunities in the environment.</p>	<p>Objectives of entrepreneurship culture</p> <ul style="list-style-type: none"> ✓ To build capacity of living with uncertainty and ambiguity ✓ To familiarize with small business tasks during youth ✓ To be in contact with numerous familiar successful role models ✓ To link with a wide network of independent family /business contacts reinforcing familiarity and providing opportunities ✓ To acquire formal / informal managerial knowledge and practice in business ✓ To embrace opportunities to practice Entrepreneurial competencies <p>The promotion of this culture involves the following;-</p> <ul style="list-style-type: none"> * Building capacity for living with uncertainty and ambiguity. * Familiarising with small business tasks during the youth. * Being in contact with numerous business successful role models. * Acquiring formally or informally managerial knowledge in business. * Linking with a wide network of independent families / business contact re-enforcing the familiarity and providing opportunities 	<p>Benefits of the Entrepreneurial culture</p> <ul style="list-style-type: none"> ✓ Enables people to acquire formal/informal managerial knowledge and practice in business. ✓ Enables people to link with a wide network of independent family and providing opportunities. ✓ Enables people to embrace opportunities to practice entrepreneurial competencies. ✓ Enables people to be in contact with numerous familiar successful role models. ✓ Enables people to familiarize themselves with small business tasks during youth. ✓ Enables people to build capacity for living with uncertainty and ambiguity. <p>CAREER DEVELOPMENT</p> <p>A career refers to the occupation /activity / work that one does over a period of time for his survival and to achieve his goals.</p> <p>A business career is a long term involvement in business activities for the purpose of making profits. One may choose a career from two broad categories ie wage employment or entrepreneurship</p>
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<p>Examples of career options in Uganda</p> <p>There are several career options in Uganda that a person can aspire for. Those include the following career option.</p> <ul style="list-style-type: none"> * Accountant * Database administrator * Human resource – assistant * Book – keeping clerk * Economist * Financial analyst * Writer * Loan officer * Recreation and fitness worker * Statistician * System analyst. * teacher <p>FACTORS CONSIDERED WHEN CHOOSING A CAREER</p> <ul style="list-style-type: none"> ✓ Job security. ✓ Personal interest. ✓ Demand for the career in the job market. ✓ Job satisfaction. ✓ Expected Income or reward. ✓ Family bias / preference. ✓ Talents and abilities of person. ✓ Influence of role model/career consultant or specialist. ✓ Government policy on development and creation of employment opportunities. ✓ The indices in decision making. ✓ Academic performance. ✓ Natural resources in the community, 	<p>FACTORS THAT INFLUENCE THE INCOME LEVELS OF DIFFERENT CAREERS.</p> <ul style="list-style-type: none"> ✓ Income level ✓ The demand for the service rendered. ✓ The nature of work done. ✓ The length of time that a person will have taken in acquiring the skills required to perform a given kind of work. ✓ The employer’s policy in regard to income. ✓ The general income levels in the country ✓ The level of country’s development. ✓ The government policy concerning wages. ✓ The availability of people with required skills determine the income levels. ✓ Entrepreneur’s capacity to pay. <p>Entrepreneurial resources</p> <p>These are assets both tangible and intangible that are mobilized by entrepreneurs in the building process of a business, organizations or other initiative</p> <ul style="list-style-type: none"> ✓ Skills or human skills (labour). ✓ Time of the start of new business. ✓ Information regarding the new business. ✓ Capital. ✓ Materials / inputs. ✓ Equipment and technology. ✓ Natural resources. 	<p>GENERAL TYPES OF ENTREPRENEURS IN UGANDA</p> <ul style="list-style-type: none"> ✓ Pull entrepreneurs. ✓ Push entrepreneurs. ✓ Innovative entrepreneurs. ✓ Imitative entrepreneurs. ✓ Opportunistic entrepreneurs. ✓ Visionary entrepreneurs. ✓ Craft man entrepreneur. ✓ Drone entrepreneurs. ✓ Fabian. Solo entrepreneurs vs. those who got their ideas from social networks ✓ Individual and institutional entrepreneurs. ✓ Part time entrepreneurs. ✓ Corporate cast offs and drop outs. <p>Profits as a reward to an entrepreneur</p> <p>An entrepreneur is rewarded by profits or loses to appreciate him or her for having taken the risk.</p> <p>A profit in business term refers to the difference between the sales and the cost of sales.</p> <p>THE ROLE OF PROFITS TO AN ENTREPRENEUR</p> <ol style="list-style-type: none"> 1. It is a source of government tax revenue 2. It is a reward to an entrepreneur for risks and uncertainties 3. It’s used as an indicator for resource allocation. 4. They are used by an entrepreneur to expand or improve on the existing enterprise. 5. It is a source of reward to other factors of production in an enterprise. 6. It is used to motivate workers in an enterprise.
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<p>Who is a manager? A manager is a person who directs and controls the affairs of the business so as to ensure that the business` set targets are achieved.</p> <p>FUNCTIONS OF A MANAGER</p> <ul style="list-style-type: none"> ✓ Planning. ✓ Organizing. ✓ Staffing. ✓ Coordination. ✓ Leading. ✓ Controlling and maintaining. ✓ Motivation. ✓ Communication. ✓ Budgeting. ✓ Evaluation. <p>INTRA – PRENEURSHIP Is the act of behaving like an entrepreneur while working within a large organisation</p>	<p>An Intrapreneur is a person who does not own a business but uses the entrepreneurial skills in an existing business where he/she works to identify opportunities and create profits for the business from the opportunity</p> <p>The features of an Intrapreneur</p> <ul style="list-style-type: none"> ✓ Works in an existing business ✓ Is hired to manage the business ✓ Creative and uses ability / insight to market / produce / finance a service / product ✓ Identifies new products / services for an existing business ✓ Organizes and controls resources to ensure profit for the existing business ✓ Prefers benefits of an existing business such as salary and available resources. 	<p>An enterprising person is someone who takes on imaginative and risky projects. He is a person who is ambitious; they take initiative in order to be successful.</p> <p>Characteristics of an enterprising person</p> <ul style="list-style-type: none"> ✓ Always hardworking ✓ Always see the future in the present. ✓ Always find the way to take advantage of situation. They are not burdened by it ✓ They don't wait for opportunities to come to them, they go after opportunities ✓ Always keep his mind open and active <p>Entrepreneurial competences There are three major competences for successful entrepreneurship. These include</p> <ul style="list-style-type: none"> ✓ A body of knowledge ✓ A set of skills ✓ Cluster of traits
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<p>Knowledge, this is a set / body of information stored by a person which may be recalled at an appropriate time to enable a person do what is needed to achieve a purpose. Examples of knowledge include:</p> <ul style="list-style-type: none"> * Information about the market for goods and services. * Information about customers like who they are, where they are, their age bracket, their tastes and preferences etc * Information relating to business opportunity identified after doing market research. * Information about production process like knowing which materials to use, knowing 	<p>Skills, this is the ability to apply knowledge and can be acquired through practice. In business context it is possible to distinguish between skills of technical and managerial in nature, some example are listed below</p> <p>Technical skills</p> <ul style="list-style-type: none"> ✓ Engineering ✓ Computing ✓ Sewing ✓ Carpentry ✓ Painting ✓ Mechanics ✓ Catering ✓ Video coverage and editing ✓ Hair dressing 	<p>Traits, these are the aggregate/total of peculiar qualities that constitute personal individuality. Traits take time to develop and are not easily changed or acquired. E.g</p> <ul style="list-style-type: none"> ✓ Passionate ✓ They are disciplined. ✓ They are effective planners. ✓ They are persistent. ✓ They are professional. ✓ They are aggressive. ✓ They are ambitious.
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<p>how to transform the materials into finished goods.</p> <ul style="list-style-type: none"> * Information on business management like how to manage workers successfully. * Information about technical matters like how to operate the machines. * Information about competitors like knowing their strength, weaknesses, opportunities and weaknesses. * Information about the sources of capital. * Information about sources of various inputs like machinery, labour, raw materials etc * Information about government policies that affect business activities. 	<ul style="list-style-type: none"> ✓ Pottery <p>Managerial skills</p> <ul style="list-style-type: none"> ✓ Marketing (including selling). ✓ Strategic skills. ✓ Time management. ✓ Financial management. ✓ Organisation skills. ✓ Planning skill. ✓ Leadership. ✓ Delegation skills. ✓ Communication skills. ✓ Negotiation skills. 	
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<p>TRAITS OF AN ENTREPRENEUR.</p> <ol style="list-style-type: none"> 1. Self-confidence. 2. Hard working. 3. Goal oriented. 4. Persistent. 5. Profit oriented. 6. Builds for the future. 7. Reliability and integrity. 8. Risk taking. 9. Copes with failure. 10. Willingness to listen. 11. Responding to feed back. 12. Coping with uncertainty. 13. Coping with changes. 14. Innovation. 15. Opportunity oriented. 16. Creativity. 17. Build on strengths. 18. Information seeking. 19. Reliable and has Integrity 	<p>BARRIERS TO ENTREPRENEURSHIP</p> <ol style="list-style-type: none"> 1. Poor entrepreneurial skills. 2. Lack of role models in entrepreneurship. 3. Lack of business ethics. 4. Low mobility and exposure. 5. Lack of business and technical skills. 6. Career dependency. 7. Lack of continuity. 8. Lack of motivation. 9. Political instability. 10. Business administrative procedures. 11. Excessive, complex and arbitrary taxation. 12. Lack of access to finance. 13. Low purchasing power 14. Under developed infrastructure. 15. Economic instability. 	<p>CAUSES OF EARLY FAILURE OF ENTREPRENEURIAL VENTURES</p> <ul style="list-style-type: none"> ✓ Death of an entrepreneur ✓ Poor timing ✓ Poor management or poor managerial skills ✓ Heavy taxes that are charged by the government. ✓ Lack of sufficient capital ✓ Competition from existing companies especially with globalization ✓ Uncertainties like weather, wars which at times destroys the entrepreneurs' businesses. ✓ Inadequate market ✓ Poor financial management, planning ✓ Government policies many have negative impact on economy ✓ Poor location of business,
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<p>Measures <i>have been under taken</i> to boost entrepreneurship in Uganda</p> <ul style="list-style-type: none"> ✓ Carrying out adequate market research ✓ setting up credit societies, reducing interest rate and increasing loan repayment periods ✓ training Capable local advisers or making them available to handle issues like project viability ✓ providing Technical education and support ✓ Referring to successful role models constantly to solved social stigma ✓ using Market contacts and updates ✓ setting up local companies for research and come up with viable ventures ✓ ensuring that the nation is politically stable to encourage investment ✓ improving on the infrastructures to ease flexibility of flow of goods and services <p>Functions of an entrepreneur</p> <ol style="list-style-type: none"> i. Recruitment of staff. ii. Monitoring and evaluation of operations. iii. Taking business decisions. iv. Risk taking and uncertainty bearing. v. Innovation. vi. Financing the business. vii. Motivating employees and other stakeholders. viii. Generation of business ideas. 	<p><u>REWARDS / BENEFITS FOR BEING AN ENTREPRENEUR</u></p> <ul style="list-style-type: none"> ✓ It leads to feeling of freedom and independence e.g. in terms of decision making. ✓ It leads to increased income. People in the business society earn income which in turn improves their standards of living. ✓ It encourages the development of self-confidence due to the high levels of independence that exists i.e. the owner is the leader of him/herself. ✓ It enables one to invest his/her resources and skills fully and productivity. ✓ It allows one to become creative and innovative as he/she can come up with the new ideas and implement them for the success for his/her business. ✓ It leads to respect and recognition by the society. ✓ It ensures maximum job security. <p><u>CHALLENGES/COSTS/DISADVANTAGES OF BEING AN ENTREPRENEUR</u></p> <ol style="list-style-type: none"> i. It makes an entrepreneur work for long and irregular hours with a lot of hard work so as to succeed. ii. It leads to uncertainty of the income i.e. business is associated with both profits and losses. iii. It is associated with low life style as a result of working for long and irregular hours especially at the beginning. iv. It is associated with a lot of risks. The entrepreneurs face all the risks of his business alone. v. It ensures personal responsibility for the business failures i.e. in case of failure of the business. The entrepreneur stands personally liable for such failure. 	<p>Entrepreneurship as a career option</p> <p>Entrepreneurship can be defined as a career in one's own business rather than wage / paid employment.</p> <p>The entrepreneurial process.</p> <p>There are mainly three steps involved in the entrepreneurial process ie</p> <ul style="list-style-type: none"> • Income generation. Here, one tries to generate surplus or profit e.g through putting surplus money on a fixed deposits account in a bank. • Self-employment. This refers to an individual's fulltime involvement in his own occupation / business. • Entrepreneurship. This is terminal / last stage in the entrepreneurial process where after setting up a venture, one looks for diversification and growth. At this stage, an entrepreneur is always in search for new challenges, converting threats into opportunities, innovative and creative. <p>EMPLOYMENT</p> <p>This refers to relationship between two parties, usually based on a contract, one being the employer and the other being employee.</p> <p>Types of employment</p> <p>Self-employment is where an individual starts his /her own income generating activity using his own resources and gets employed in it or it refers to an individual's fulltime involvement in his own occupation or business or an enterprise</p>
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	DISADVANTAGES OF SELF EMPLOYMENT <ol style="list-style-type: none"> 1. Risk of losing resources invested in the business. 2. Long and irregular hours of work. 3. Unstable income. 4. Uncertain future. 5. Hard to delegate work. 6. Lower quality of life until the business gets established. 7. No fringe benefits. 8. Needs high energy. 9. Constant concern about the business. 10. Responsibilities. 	ADVANTAGES OF SELF EMPLOYMENT <ul style="list-style-type: none"> * Increased income. * Personal fulfillment and improved standards of living: * Creation of employment. * Independence in decision making * Increased production of goods and services. * Social recognition. * Self-confidence. * Job security * Economic development * Encourages innovation and creativity. * Efficient utilization of resources.
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PAID EMPLOYMENT. Involves taking up a job in which a person is paid a uniform wage / salary daily, weekly, monthly or annually for a specific assignment given by the employer or government. Advantages of paid employment <ul style="list-style-type: none"> ✓ There are specific responsibilities depending on agreed payments in respect to the work done. ✓ Steady income. A paid employee is assured of a regular payment at the end of a specific work done. ✓ A worker may enjoy fringe benefits like transport, sick leave, housing etc from his employer. ✓ There are minimal risks and the employee is assured of his/her pay all the time 	Disadvantages of paid employment <ul style="list-style-type: none"> ✓ There is a tendency of following strict orders. One has to work under given specific instructions. ✓ There is a set span of control. This refers to the hierarchy one has to consult before implementing his own ideas to work. ✓ There is a fixed rate of pay which can hardly be increased even if output increases. ✓ There is limited and fixed responsibilities ie one does not go beyond the work specifications. This limits a worker from attaining skills. ✓ There is limited room for initiating ones ideas. ✓ Workers may be dismissed due to poor performance or bias by the employer. ✓ Absence of some workers may make work to come to a standstill since everyone will have to concentrate on his work. 	Challenges encountered in trying to promote self-employment in Uganda. <ul style="list-style-type: none"> ✓ Insecurity in some parts of the country which discourage individual freedom and investment. ✓ Societal barriers which discourage entrepreneurial spirit. ✓ Ignorance of the masses about the importance of self-employment. ✓ Existence of a theoretical based education system in the country which trains job seekers. ✓ Unfavourable economic conditions of high levels of inflation. ✓ Unfavourable government policies of levying high taxes. ✓ Limited existing market in the country due to high levels of poverty.
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<ul style="list-style-type: none"> ✓ Reduces fatigue of the employee since there are fixed and favourable hours of work. ✓ In some enterprises there are chances of further training for the workers. ✓ It is easy for the government to collect legal payments like taxes. ✓ There is a set and convenient span of control over activities of business ie work is done according to the level of specialization. 	<ul style="list-style-type: none"> ✓ It may promote corruption and embezzlement as employees struggle to be given jobs. <p>The following are the measurers that can be taken to promote self-employment</p> <ul style="list-style-type: none"> ✓ Liberalizing the economy / strengthen the private sector that allows people to carry out free trade. ✓ Encouraging practical and vocational subjects at different levels in order to create job creators. ✓ Setting up more infrastructures ✓ Encouraging talent development. ✓ Giving soft loans to self-employed people. ✓ Giving tax holidays to self-employed people / investors. ✓ Promoting security in the country to provide a conducive environment for investment. ✓ Sensitizing the masses about the benefits of self-employment. ✓ Widening market for locally produced goods. ✓ Reducing the bureaucracy when starting business. ✓ Providing information about various business ideas. ✓ Recognizing and rewarding the self-employed person. ✓ Creating business support organizations like banks , insurance companies etc ✓ Ensuring economic stability. ✓ Providing subsidized land to investors. 	<ul style="list-style-type: none"> ✓ Undeveloped infrastructure especially roads, water, electricity and machinery. ✓ social – cultural rigidities that act as barriers to entrepreneurial development e.g the belief that high profit is unethical ✓ Limited entrepreneurial experience in the country. ✓ Unfriendly economic environment in terms of high interest rates on loans, non-existence of lending and funding organisation etc. ✓ Psychological factors like high need for affiliation, conformity and compliance to rules and regulations, need for security etc. ✓ Great risk in less developed countries as there is lack of reliable information, market for goods and services is small etc. ✓ Non availability of labour and skills. Though there is abundant labour supply there is generally scarcity of skills at all levels
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<p>UNEMPLOYMENT IN UGANDA</p> <p>Unemployment is a state of idleness of an able and willing factor of production to work at the ongoing reward or payment.</p> <p>Unemployment (of labour) is a situation where people in working age group are not engaged or employed though they are willing to work at the ongoing wage rate.</p> <p>Full employment is a state in which a number of people looking for jobs are equal to the number of job vacancies available.</p> <p>Under-employment is a state of under-utilization of economic resources which could be labour, capital or any other resource, for example an employee working less hours than the normal working hours is said to be underemployed or a person doing a job for which he is not trained.</p> <p>TYPES OF UNEMPLOYMENT</p> <p>Disguised unemployment, this exists when people are physically present and working but the marginal productivity of labour is zero.</p> <p>Cyclical/ Keynesian unemployment, this type of unemployment got its name from Lord Keynes. It's caused by low aggregate demand.</p> <p>Technological unemployment, it occurs when capital machines replaces labour as a factor of production. ie tractors and computers replacing people in a company or on a firm respectively.</p>	<p>TYPES OF UNEMPLOYMENT</p> <p>Residual unemployment, this is the type of unemployment caused by physical/ mental incapacitation. ie blindness or lameness.</p> <p>Seasonal Unemployment. This is unemployment that comes about when some people become unemployed due to lack of economic activities in a given period of time.</p> <p>Frictional unemployment. This occurs when labour is temporarily out of work while in the process of switching or moving from one job to another.</p> <p>Open Urban Unemployment. This is a type of unemployment which mainly occurs in urban areas due to rural urban migration in search of employment opportunities</p> <p>Voluntary unemployment. Is a type of unemployment where a person or a member of the labour force who is able to work decides not to take up the available job at the on-going wage.</p> <p>Involuntary unemployment. Is a type of unemployment where a member of the labour force is willing and able to work at the on-going wage rate, but cannot find a job.</p>	<p>CAUSES OF UNEMPLOYMENT IN UGANDA</p> <ul style="list-style-type: none"> * Rapid population growth rate. * Defective education system. * Seasonal changes. * Mental and physical disabilities. * Introduction of new technology. * Fundamental change in the structure of an industry. * Rural-Urban migration. * Political instability. * The negative attitude towards work among some people. * Retrenchment policies like restructuring civil service cause many civil servants to be laid off from work. * Discrimination in the labour market. * Inadequacy of co-operant factors especially capital and land. * Ignorance of labour about the available jobs. * High desire for leisure and laziness, * Physical and mental disabilities. * Poor land tenure system * Limited domestic market/low demand, <p>Solutions to unemployment problems in Uganda</p> <ul style="list-style-type: none"> * Family planning programmes, use of contraceptives and sensitization of the masses. * Attracting foreign investors by providing economic incentives like tax holidays, subsidies, soft loans, free plots of land * Diversifying the economy by encouraging a wide range of production activities in different sectors like agriculture industry, tourism etc
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<p>Solutions to unemployment problems in Uganda</p> <ul style="list-style-type: none"> * Carrying out education reforms to emphasize skill based education which creates more job makers. * Liberalizing the economy by removing unnecessary barriers, allowing and supporting free enterprise and limiting government interference in business * Improving the social and economic infrastructure such as road network improving power generation and supply, water supply and telecommunication network in all parts of the country * Privatizing public enterprises to increase production capacity thereby demanding more labour hence increasing employment opportunities * Modernizing agriculture through provision of incentives to farmers like at fair rates, widening markets for agriculture products, introducing machinery like use of tractors, all these increase output which call for more workers at different stages as well * Encouraging the provision of credit to empower people carry out self-employment in the formal and private sector * Advertising the existing jobs over the media and creation of job centers which link job seekers to job makers to reduce frictional unemployment 	<p>Solutions to unemployment problems in Uganda</p> <ul style="list-style-type: none"> * Carrying out land reforms. This can make the landless to access land and create stability in tenure so that people use land for long term plans * Restoration of peace and maintenance of political stability to create a conducive environment for both local and foreign investors * Establishing institutions which facilitate investors in order to create a conducive investment climate hence widening employment * Encouraging the use of appropriate technology which is employment creating to reduce technological unemployment * Supporting the disadvantaged groups through funding programs for people with disability. * Join regional economic integration. This increase market for local products, increases output and creates more employment opportunities. 	<p>Shortcomings of unemployment in Uganda.</p> <ul style="list-style-type: none"> * High unemployment leads to low savings. * Unemployment causes instabilities in families. * It leads to high dependence burden. * It retards economic growth. * It leads to rural-urban migration. * It leads to brain drain. * People lose interest in education. * It leads to income inequality. * It increases the crime rate. * Unemployment causes decrease in aggregate demand. * Limits government revenue. * Creates political tension * It increases government expenditure
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<p>COPING WITH CHANGE</p> <p>Change is to give a completely different from or appearance to an object. Change in an organization is inevitable. It involves transforming an object into a completely different one.</p> <p>Types of change</p> <p>DEVELOPMENTAL CHANGE. This occurs when a company makes an improvement on their current business.</p> <p>TRANSITIONAL CHANGE. This type of change involves replacing existing processes or procedures with something that is completely new to the company.</p> <p>TRANSFORMATIONAL CHANGE. This type of change occurs after transitional change. It involves making drastic transformation in the business rather than methodologically implementing new process</p> <p>FACTORS THAT BRING ABOUT CHANGE IN THE BUSINESS</p> <ol style="list-style-type: none"> 1. Efficiency 2. Environmental change 3. Social changes 4. Competition 5. Change of technology 6. Change of Desires 7. Government directives 	<p>FACTORS THAT INFLUENCE DECISION MAKING</p> <ul style="list-style-type: none"> ✓ Nature of situation ✓ Availability of resources ✓ Environmental factors ✓ The expected benefits from a decision ✓ The cost involved ✓ Time pressure <p>CRITICAL FACTORS TO BE CONSIDERED IN PLANNING FOR CHANGE IN SMALL BUSINESSES.</p> <ol style="list-style-type: none"> 1. Capital 2. Raw materials 3. Labour 4. Technology 5. Markets 6. Government regulations of business activity 7. Behavior of entrepreneurs 8. Life styles <p>Importance of change</p> <ul style="list-style-type: none"> ✓ It helps the enterprise to adopt new technology ✓ It helps the organization to respond to customer's needs. ✓ It helps employees to get new skills and knowledge ✓ It determines the direction of the organization. ✓ It is used to change the status quo ✓ Change helps the organization to achieve production of new goods and services. ✓ Change is used as a tool to out compete other business. 	<p>Disadvantages of change in a business</p> <ul style="list-style-type: none"> ✓ It may sometimes result into unemployment of some workers when they are replaced by few machines adopted by the business. ✓ It may result into over reliance on computers, information technology and information support systems which sometimes break down. ✓ It may cause inconveniences to both workers and the business due to relocation of industries and workers. ✓ It leads to increased complexity of the methods of production. ✓ It may reduce the market share of the business when the change is caused by entry of a new competitor into the market area of the business. ✓ It may result into pollution of the environment due to industrialization and the exploitation of resources like trees minerals etc ✓ It may result into wastage of resources. For example, change in technology may force business to purchase new technology that they may not really be needed.
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<p>REASONS WHY PEOPLE RESIST CHANGE</p> <ul style="list-style-type: none"> ✓ Change benefits some people while it hurts others. ✓ Change sometimes is very expensive ✓ Not being consulted. ✓ Some people resist change because they feel they are not capable of handling it, ✓ Some people resist change because they feel they are not secure ✓ Some people take pride of being stubborn and independent ✓ Some individuals resist change because they were not consulted before ✓ It is because some people may lose their status in an organization ✓ Some people resist change because they fear taking on new responsibilities <p>Indicators of resistance to change in an organisation</p> <ul style="list-style-type: none"> ✓ Low workforce efficiency ✓ Grievances about pay ✓ Aggression against management ✓ Restriction of output ✓ Increased absenteeism ✓ Expression of feelings of failure ✓ Low level of aspiration ✓ Expression of feeling of frustration 	<p>SOME STRATEGIES FOR REDUCING RESISTANCE TO CHANGES IN BUSINESS</p> <ul style="list-style-type: none"> ✓ Adopting effective communication system so that any change to be made by the business is properly communicated to the workers. ✓ Involving the majority of workers in deciding to make the changes. ✓ Carrying out changes that are necessary for the business. ✓ Planning how to make the changes. ✓ Conducting research on the most appropriate way of introducing new changes. ✓ Building support networks. ✓ Using managerial authority and status ✓ Offering assistance to those involved ✓ Offering extra incentives ✓ Encouraging and supporting those involved. <p>The following for basic decision making process can be applied to coping with change</p> <ul style="list-style-type: none"> * Understanding the situation. * Defining the problem. * Finding alternative. * Final selection/ selecting plan. 	<p><i>Techniques / ways to foster change in business</i></p> <p>Below are some of the tips for managing the complex and difficult change process in business.</p> <ul style="list-style-type: none"> ✓ Rewarding success. ✓ Giving explanation. ✓ Providing adequate training ✓ Encouraging feedback on progress. ✓ Managing resistance. ✓ Assessing readiness. <p>FUTURE / EXPECTED CHANGES IN SMALL BUSINESS</p> <ul style="list-style-type: none"> • Capital may be more difficult and expensive to obtain and might become unavailable to many businesses. • Raw materials will become increasingly costly and difficult to obtain and smaller firms will have to switch to other substitutes. • Abundant labour will be substituted for source capital in business operations. • Technology will become more important to small business in the future but capital and energy constraints may hinder the flow of new technology. • Markets based on products that consume large amounts of costly resources will decline while those which conserve resources will develop. • Government regulations are likely to increase as elected officials struggle to keep the country prosperous.
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<p>THE CONCEPT OF CREATIVITY</p> <p>Creativity is the ability to bring something new into existence. It is the ability to come up with innovative solutions to needs and to market them</p> <p>Characteristics of creative individuals</p> <ul style="list-style-type: none"> ✓ They usually have originality. Creative people are capable of doing something that no one else has done. They think of an idea, redesign it and make something new out of it. ✓ They are independent thinkers. ✓ They promote growth and change. ✓ They are innovative. ✓ They tolerate ambiguity. ✓ They normally ask questions. They are question askers. ✓ They are adaptable. ✓ They are sensitive. ✓ Search for better ways to do tasks, they focus on what they do ✓ They are open-ended. In order to explore many possibilities ✓ They are flexible. Creative people are very flexible when they are playing with ideas. ✓ They are persistent. Creative people have continuously existed amidst the challenges they face. ✓ They are observant. Creative people take time to observe and analyze critically different ideas. ✓ They have divergent thinking. Creative people love diverging from the norm, to look at things from multiple positions to challenge anything that exists. 	<p>CREATIVITY PROCESS</p> <ul style="list-style-type: none"> * Preparation. This step involves getting the mind ready for creative thinking. * Investigation. This step requires one to develop a solid understanding of the problem, situation, or decision at hand. * Transformation. Transformation involves viewing the similarities and differences among the information collected. * Incubation. The subconscious needs time to reflect on the information collected. * Illumination. Occurs at some point during incubation stage when spontaneous break through causes "the light bulb to go on". * Verification ie validating an idea as realistic and useful may include conducting experiments, running simulations etc * Implementation. The focus of this step is to transform the idea into reality. <p>OBSTACLES TO CREATIVITY IN BUSINESS</p> <ul style="list-style-type: none"> ☞ Negativity/negative thinking. ☞ Thinking that you are not creative. ☞ Language barrier. ☞ Fear of failure. ☞ Limited or lack of quality thinking time. ☞ Over-conformance with rules and regulations ☞ Culturization ☞ Wrong assumptions ☞ Application of too much logic ☞ Dehumanising mass media. ☞ Unfavourable or poor working conditions ☞ Competition ☞ High conflicting goals and objectives. ☞ Noisy environment. ☞ Competition. ☞ Demands for quick production of results 	<p>TECHNIQUES FOR DEVELOPING A CREATIVE ABILITY</p> <ul style="list-style-type: none"> ☞ Thinking beyond the invisible frame works that surround problems/situations ☞ Recognizing when assumptions are being made and challenge them ☞ Developing/adapting ideas from more than one source ☞ Transferring technology from one field to another ☞ Being open and prepared to use chance on unpredictable things/events to advantage ☞ Drawing on the experience of other individuals business to widen the field of vision ☞ Practicing for tune i.e. having a wide attention span and range of interests ☞ Note down thoughts/ideas that apparently drop into the mind unsolicited so that they are not forgotten ☞ Using analogy i.e. improve imaginative thinking to find models or solutions in nature, in existing products/services or in other organisations ☞ Trying as appropriate to sometimes make the strange familiar and the familiar strange to spark new ideas ☞ Knowing when to leave a problem i.e. remain aware but detailed ☞ Tolerating ambiguity and occasionally live with doubt and uncertainty ☞ Stimulating own curiosity in everything and the skills of observation, listening, reading and recording <p>IMPORTANCE OF CREATIVITY</p> <ul style="list-style-type: none"> ☞ It increases awareness by paying attention to insights and sounds that are ordinary ignored
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<p>INNOVATION IN BUSINESS</p> <p>Innovation is the way of transforming resources of an enterprise through the creativity of people into new resources and wealth.</p> <p>TYPES OF INNOVATIONS</p> <ul style="list-style-type: none"> * Business model innovation. This involves changing the way the business is being done in terms of capturing value, capture new market segments and alienate competitors. e.g Nile Breweries Vs. Uganda Breweries. * Marketing innovation. entrepreneurs can become successful by introducing new ways to market or distribute their products. For example using door to door marketing and use of posters to market its products, soft drinks firms to change to plastic packing of their products. ➤ Organisational innovation. This involves creation of new business structures, practices and models and may include process, marketing and business model innovation. ➤ Process innovation. This involves implementation of a new or significantly improved production or delivery method. 	<ul style="list-style-type: none"> ➤ Product innovation. This involves a good or service that is new or improved substantially. today firms that manufacture mobile phones are continuously coming up with phones that are not only serving oral communication but also phones with other functional characteristics like those with radios, television, those that can work as computers, those with cameras etc. ➤ Financial innovation. This involves the development of new financial attributed i.e. risk sharing liquidity and credit in innovative ways as well as exploiting the weakness of the tax law. ➤ Supply chain innovation. This is an improvement in a way of getting inputs (raw materials) from suppliers and delivery of output of products to the customers ➤ Service innovation. This is an improvement in a way services are provided e.g use of ATM machines to withdraw and deposit money, yaka system of UMEME, mobile money services, internet banking ➤ Technological innovation. example using the computer via face book and Whats-App to market products 	<p>CHARACTERISTICS OF (INNOVATORS)</p> <ul style="list-style-type: none"> ☞ They have a compelling vision. Innovative people believe that they are part of something better to come and t ☞ They are opportunity oriented. Thinking about new ways of doing things and they are not afraid of doing something new. ☞ They are self-disciplined. Innovators are able to prioritize their time so that they are doing the important work first. They have the ability to do the hard work to make them happen. ☞ They are inner-directed. Innovators are inner directed and goal oriented and do not need any one else to motivate them ☞ They are extra ordinary persistent. They keep going and do not let obstacles get in their way. ☞ They are passionate about belief. They are passionate about a thing and they go after that with all their hearts and souls. ☞ They are trend spotters. Innovators are trend spotters they are able to identify something new and its social responsibility ☞ They associate with positive people. Innovative people usually surround themselves with people with positive attitudes towards creating something new.
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<p>SOURCES OF INNOVATION</p> <p>Internal sources (innovations within the society)</p> <ul style="list-style-type: none"> ➤ The Unexpected success due to changes in market demand. ➤ Incongruities. ➤ Process needs. ➤ Industry and market changes. ➤ Changes in company policy. <p>External sources (societal environment sources)</p> <ul style="list-style-type: none"> ➤ Changes in social factors. ➤ Demographics. ➤ Changes on perception mood and meaning. ➤ Changes in technology. ➤ Changes in economic factors. ➤ Change in political factors. ➤ Changes in environmental factors. ➤ Changes in legal factors. <p>Principles of innovation</p> <ul style="list-style-type: none"> ✓ Begin with an analysis of the opportunity ✓ Analyse the opportunity to see people will be interested in using the innovation ✓ To be effective, the innovation must be simple and clearly focused on a specific need ✓ Effective innovators start small. By appealing to a small, limited market, a product or service requires little money and few people to produce and sell it. ✓ Aim at market leadership. Leadership here means dominating a small market niche. If an innovation does not aim at leadership in the beginning, it is unlikely to be innovative enough to successfully establish itself 	<p>WAYS TO FOSTER / PROMOTE INNOVATION IN A SMALL BUSINESS</p> <ul style="list-style-type: none"> ✓ Expecting change at all times: ✓ Implementing new rules: ✓ Thinking globally ✓ Avoiding barriers that limit innovators: ✓ Acting fast to take advantage of any new business opportunity: ✓ Being always a learner: through listening to other people. ✓ Measuring performance indicator ✓ Doing things well for others. ✓ Always thinking like entrepreneur. ✓ Rewarding innovations. ✓ Talking and/ or interacting with customers/carrying out research. ✓ Providing innovation training. ✓ Adapting to change in the value system/taking risks. <p>Small businesses have the following qualities that make them more likely than larger businesses to use innovation successfully</p> <ul style="list-style-type: none"> ☞ Personal connection with customers, small businesses understand customers' needs and identify new opportunities quickly and efficiently ☞ Personally invested and passionate. Most small business owners are willing to try new approaches to make their business more successful ☞ Alertness and adaptation , small businesses can quickly adapt to changing market conditions and implement new business practices ☞ Experimentation/improvisation, many small business owners experiment and improvise by accepting failure in order to succeed 	<p>Advantages of innovation</p> <ul style="list-style-type: none"> ☞ It helps in locating new technologies and become a foundation of a new set of customers. ☞ It assists a company in packaging and repositioning its products for global distribution ☞ It helps in developing new distribution channels and added value to make the organization's products /services stand out ☞ It helps in reviewing the company's objectives and comparing them with customers' needs to find out what to offer to customers. ☞ Innovation alternative approaches create alliances with venture partners. ☞ It lowers organizational research and development and operating costs ☞ It streamlines relationships with suppliers and customers ☞ It leads to production of variety of products which expands the product range <p>Small businesses have the following qualities that make them more likely than larger businesses to use innovation successfully</p> <ul style="list-style-type: none"> ☞ Resource limitations, small businesses prefer to use less resources and do something much. The limited resources enable them to be innovative ☞ information sharing and collaboration, small businesses traditionally rely on strong local social networks to share information needed for innovation thinking
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<p>RISK TAKING IN BUSINESS</p> <p>A risk is a situation where one is required to make a choice between two different alternatives which may result into differing rewards for success or penalties for failure.</p> <p>A risk refers to the possibility of suffering harm/loss/danger.</p> <p>TYPES OF RISKS</p> <ul style="list-style-type: none"> * LOW RISKS. These have high potential of success but are associated with low profits. In such a situation, an entrepreneur starts a business that is common to him and hence bearing few or low risks of failure. * MODERATE RISKS. These are ones that can be forecasted, calculated and managed by an entrepreneur, in such a situation there are higher chances of managing and controlling ie ensuring that in case it happens, it does not affect the business. Examples of such risks are: fire, burglary, theft etc. * HIGH RISKS. These are risks that have a high chance of occurrence or happening, and in case they occur, one has less or no control over them. Examples of such risks are, smuggling, dodging government taxes, etc. however, such businesses with high risks tend to fetch higher profits in case they succeed. 	<p>Various examples of risks that entrepreneurs encounter in business</p> <ul style="list-style-type: none"> ✓ Risk of losing market due to changes in customers' tastes, demand and fashions leading to limited customers and closure of the business. ✓ Break down of machinery and consequential loss which comes when one does not service machines or if he over used the machines. ✓ High staff turnover or loss of key staff members especially if they have unique skills. ✓ Fire outbreak due to poor electrical wiring or reluctance leaving candles anywhere which can bring about fire outbreak. ✓ Increased competition due to increased number of similar businesses. ✓ Loss of money in transit for example when money is being taken to the bank it may be misplaced. ✓ Many people steal money from where they work like employees and other community members (theft and burglary) ✓ Failure to comply with legislation, regulation and / or standards ✓ Bad debts created by customers who may borrow money / goods from business and fail to pay back. ✓ Danger or loss of goods in transit. Goods may be damaged in the process of loading and off-loading them. ✓ Corruption and embezzlement of funds by the employees for private use. ✓ Business failure due to changes in industrial relations, which may lead to strikes ✓ Outbreak of diseases affecting farm animals and crops. 	<ul style="list-style-type: none"> ✓ Risks of being bitten by snakes, dogs, cats and harmful insects like bees, wasps etc ✓ Risks due to unfavourable government policies like ban on use of polythene papers. ✓ Poor management decisions hence financial mismanagement, human resource mismanagement and misuse of other resources <p>RISK ASSESSMENT</p> <p>Is the process of determining whether a particular uncertain circumstance has the potential to threaten your business operation?</p> <p>Or, this involves determining the potential success (that will arise out of the risk not happening) or potential loss (arising out of the risk happening).</p> <p>Risks can be assessed based on the following factors</p> <ul style="list-style-type: none"> ✓ Experience and abilities of management: ✓ Availability of market ✓ Viability of the idea ✓ Flexibility of the business ✓ Level of consistency of cash flow ✓ Honesty and reliability of people involved ✓ Marketing and pricing policies
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<p>MINIMIZING RISKS</p> <p>In order for an entrepreneur to reduce the chances of business risks happening, he can take preventive measures that will minimize them. Such measures include the following</p> <ul style="list-style-type: none"> • Maintaining and up grading production technology and products to minimize the challenge of changes in consumers taste, fashion and demand. • Locating reliable sources of raw materials and keeping close contact with suppliers to reduce the challenge of shortage of raw materials • Maintaining adequate security, guarding and strengthening burglar proofs, security lights etc, which will help to control the risks of theft. • Maintaining good employee relations at work place for example by improving the welfare facilities of workers to minimize poor industrial relations which can result into strikes at work place • Improving the quality of products and customer care to reduce the risk of business being out competed. i.e the changes in the degree of competition in the market. • Extensive training of the entrepreneur and staff on new equipment or procedures to reduce the risk of staff and the entrepreneur him / her self being left behind by technological changes • Employing experienced personnel to reduce the challenge of faulty managerial decisions regarding the use of capital, machines, raw materials, defective inputs. 	<p>WAYS OF MAINTAINING SECURITY</p> <ul style="list-style-type: none"> * Checking thoroughly all vehicles, motor cycles and persons entering or leaving the business at the entrance. * Installing security lights and switching on them at night. * Ensuring that all vehicles, motor cycles, persons and their properties are registered on arrival at the main gate. * Having in place a well maintained fence and monitoring it at all times. * Installing security monitoring equipment like CCTV cameras, alarm systems, bomb detectors etc * Employing well-armed and well trained security workers and giving them clear instructions relating to security. * Electrifying the wall fence of the business. * Placing warning notices relating to security at different points within business and outside the premises. * Restricting permission to enter the business to business customers, workers and other permitted business parties. * Installing fire extinguishers at the business work place. * Having watch dogs to maintain security at the business premises. * Ensuring close supervision of all workers while carrying out their duties to minimise theft. * Prosecuting trespassers in the business premises. * Safely locking all business movable assets like cash, work equipment, computers etc * Specifying the time beyond which no visitor, unauthorized staff, vehicles and motor cycles should be allowed in business premises. 	<p>WAYS OF ENSURING SAFETY /MINIMISING LOSS OF BUSINESS FUNDS/CASH</p> <ul style="list-style-type: none"> ✓ Ensuring proper documentation of all cash received and paid out. ✓ Banking daily cash received from sales and from other sources daily or regularly. ✓ Keeping the remaining cash at the business premises safely locked up in the money safes and also locking the doors to the cash safe rooms. ✓ Ensuring that only authorised business workers like the accountants receive cash receipts and recording of all cash received in the cash receipts and other relevant books. ✓ Ensuring that all cash expenditures are requested for through the heads of department and then approved by an authorized business official. ✓ Prohibiting any cash drawings from the business but if allowed then restricting the amount and charging interest on the amount withdrawn. ✓ Ensuring timely collection of debts within one month or as soon as they are incurred so as to avoid losing money due to bad debts. ✓ Buying business items from a nearby reliable and cheap supplier in order to minimize high expenditure due to high transport costs. ✓ Obtaining the bank statement of the business on a daily basis on working days and ensuring that the accountants reconcile these statements with the cash book of the business. ✓ Employing certified auditors to check the accounts records for error and fraud
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<p>Ways to prevent shop lifting.</p> <ul style="list-style-type: none"> ✓ Train employees to recognize potential shoplifters. ✓ Keep your stores well lit and your display so that you can see your entire operation area. ✓ Employ two way mirrors, closed circuit television for surveillance. ✓ Hire uniformed security guard. ✓ Control the distribution of keys and other security devices. ✓ Watch your trash. Employees place stolen items in the trash to get them out of the building. ✓ Try to hire honest people by using clear personal standards. <p>SHIFTING OF RISKS</p> <p>The entrepreneur can also manage business risks by shifting the burden of bearing the risks to other parties such as insurance companies by obtaining suitable insurance cover/ protection against fire, theft, accidents and other insurable risks</p> <p>RISK SITUATION</p> <p>A risk situation occurs when the choice is required between two or more alternatives whose potential outcomes are not known and must be subjectively evaluated. It involves potential success and potential loss. The greater the possible loss or gain the greater the risk involved</p>	<p>Procedure for analyzing a risk situation</p> <ol style="list-style-type: none"> 1. Identifying the risk. 2. Determining the goals and objectives. 3. Surveying on various alternatives available. 4. Gathering information and weighing the alternatives 5. Minimizing the risk. 6. Planning and implementing the best alternative. <p>Terms to be used</p> <ul style="list-style-type: none"> ✓ Risk avoidance. These are measures that can help to prevent the risk from occurring e.g a driver should not drink and drive ✓ Risk reduction. This is taking measures to minimize the likely loss or chances of the risk happening e.g putting in place fire extinguishers, having a stand by generator. ✓ Risk anticipation. This is forecasting the likely risk that could happen in the business e.g putting in place burglar proofs, employing a security guard, regular servicing of machines etc ✓ Risk transfer. This is when the burden of taking responsibility of a risk is shifted to another party e.g taking an insurance policy against fire, accidents, theft among others. 	<p>TYPES OF RISK TAKERS</p> <ol style="list-style-type: none"> 1) LOW RISK TAKERS. These are needed at a worker's level (lower level) so that they can do the routine things and being organizational stability. 2) MODERATE RISK TAKERS. These are managers at the middle management level. They are considered as risk takers because they need some freedom to be innovative and make minor modification in procedures and functions. 3) HIGH RISK TAKERS. These are creative and innovative entrepreneurs, willingness to accept change, try various alternatives and develop innovations for products and services in new areas of business.
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NEGOTIATION SKILLS IN BUSINESS

This is the process of bargaining that precedes an agreement.

There are two types of negotiations

Distributive Negotiation: This negotiation usually does not involve people who have never had a previous interactive relationship, nor are they likely to do so again in the near future. Simple everyday examples would be buying a car or a house.

Integrative negotiation: The word integrative means to join several parts into a whole. It involves a higher degree of trust and forming of a relationship. Both parties want to walk away feeling they have achieved something which has value by getting what each wants. It is often described as the win-win scenario.

The needs for negotiation

- ✓ To reach an agreement i.e. normally people negotiate in order to reach conclusions and this helps to avoid bias.
- ✓ To beat the opposition, when two parties negotiate there is always a winner who emerges the best.
- ✓ To compromise, that is negotiation helps people to appreciate what the others party is up to.
- ✓ To settle an agreement, i.e. one of the ways to help some understand is when the two parties negotiate and then they settle after agreeing by writing an agreement

PRINCIPLES OF NEGOTIATIONS

- ✓ You don't have to be right to settle in the process of negotiation
- ✓ Look to the future
- ✓ Focus on the goal
- ✓ Set the tone and look the part
- ✓ Be prepared and do your research
- ✓ Know what you want and what the other side wants.
- ✓ Always have plan B.

Negotiation skills in business

- Clarity in communication is essential. Do not engage in communication which the other party does not understand.
- Stick to objectives. Concentrate on negotiation only. Leave out other issues not related to negotiation.
- Avoid personalizing situations. During negotiation do not monopolise the process. Work as a team.
- Control your emotions. Avoid being quarrelsome, annoyed, or shouting at the other party during negotiation.
- Occasionally showing anger may be effective but never lose your temper during negotiation.

ATTRIBUTES OF GOOD NEGOTIATORS

- ✓ **Integrity:** A good negotiator should be honest and builds mutual trust and cooperation with others during negotiation.
- ✓ **Discipline:** The internal focus that gives us the drive, desire and dedication we need to be at the top of our game.
- ✓ **Endurance:** Also called "stamina," endurance is the ability to keep going when others have quit.
- ✓ **Respect:** Negotiation needs people who give respect to all those they are negotiating with. Know two things about respect.
- ✓ **Patience:** You may need to overcome many obstacles to reach your goals.
- ✓ **Empathy:** A good negotiator should put himself in the same shoes of those he is negotiating with than only minding about himself.
- ✓ **Trusting and trustworthy:** A good negotiator should have trust in people. If a person is unduly suspicious, he will mistake the other party's motives.
- ✓ **Confident:** A good negotiator need to be confident when of what is being negotiated about boy not fidgeting and guessing.
- ✓ **Composed and detached.** Even in a heated discussion, a skilled negotiator should have self-esteem and be composed.
- ✓ **Persuasive:** A good negotiator articulates issues aimed at convincing and persuading the other side.
- ✓ **Listens well:** Always listen and give the other side time to talk as negotiation is a two way communication.
- ✓ **Tolerance for ambiguity:** A good negotiator has a high tolerance from the other side than dictating.

<p>Factors that is necessary for the negotiation to succeed</p> <ol style="list-style-type: none"> 1. Negotiation should come out with a win - win situation i.e. no party should win of at the expense of the each other. 2. Both parties should feel satisfied with the results, the goal focused on by each party needs to be achieved after negotiation. 3. Upholding emotional/feeling i.e. when anger over rides a person in negotiation the goal may not be easily reached. 4. Negotiation should focus on solving the problem at hand i.e. whatever happened in the past should not surface while negotiating. 5. Using the negotiation styles of the other party to achieve positive outcome, negotiation styles need to be like that of the other party in the negotiation otherwise it may be difficult to achieve the desired goal. 6. Being flexible in demand i.e. some demands need to be given up for the sake of positive results otherwise negotiation may fail to achieve its intended goal. 7. Always being prepared to be compromised i.e. let not all the demands presented be achieved i.e. each party should be flexible in a manner that each party wins. 8. Always asking relevant question and quoting from relevant source of information. 	<p>Features of negotiation</p> <ul style="list-style-type: none"> • There must be a minimum of two parties. • There must be pre-determined goals in the negotiation. • There must be an outcome i.e. the results. • Resolutions and consensus is reached is written down. • The two parties must be willing to modify their positions. <p>Elements of negotiation</p> <p>Negotiation has three basic elements:</p> <p>The Process: This is the way in which individuals negotiate with each other.</p> <p>Behaviour: This refers to how the two parties respond to each other during the process of negotiation</p> <p>Subsistence: This refers to the gender on which individuals negotiate i.e. a topic for negotiation.</p>	<p>NEGOTIATION PROCESS</p> <ul style="list-style-type: none"> * Determining the subjects and objectives on negotiation. This involves being clear about what you want to achieve. * Preparing/ planning for negotiation. This stage involves preparing the road map to achieve the desired outcome. * Evolving negotiation strategies. This involves considering different options of handling negotiation to achieve desired goods and objectives and selecting what you think to achieve what you want * Actual negotiation. This involves getting all the necessary documents about the subject matter as you may have gathered during preparations and any other information you want. <p>GUIDELINES FOR EFFECTIVE ACTUAL NEGOTIATION</p> <ul style="list-style-type: none"> ✓ Determining your negotiation tactics ✓ Creating the right climate ✓ Stating the subject matter and objectives of the meeting ✓ Depending on the strategy you have selected either state your position or left the other party respond to the opening statement ✓ Depending on what strategy you have set out to use to state your interest but put emphasis on commodity ✓ Seeking agreement ✓ Ending negotiation
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NEGOTIATION TACTICS WITH CUSTOMERS	SALARY NEGOTIATION TACTICS WITH EMPLOYEES	CHALLENGES OF NEGOTIATION
<ul style="list-style-type: none"> * Communicating frequently with customers, this is in relation to the company products, changes in the company activities etc * Offering customer rewards. This involves offering in kind rewards that remind customers of your goods and company. * Holding special events. This involves holding special company's sponsored events which allow the entrepreneur and his staff to interrupt with the best customers * Ensuring that negotiations promote two-way communication. When it comes to customer relation "listening" can be as important as "telling" use opportunity * Enhancing your customer service. It is very important to have a dedicated staff or channel for resolving customers' problems quickly and effectively. * Launching multi-cultural program. They motivate different customers because they use many languages. * Visiting customers. This involves occasionally getting out to customer's location so as to understand the challenges they face as well as helping them to meet these challenges. 	<ul style="list-style-type: none"> * Setting the ceiling. This involves the establishing of how much you can spend on salary. * Setting the floor. This involves establishing the last amount you will pay out. This is often the ruling market rate * Deciding how to make payments. Ie Payments on hourly basis is best suited for temporary workers while fixed monthly salary is what white collar employees except. H * Making the salary attractive. The entrepreneur should make the salary attractive in order to get good workers. * Avoiding legal tussles. Before the entrepreneur decides the salary he should know the minimum wage given to employees in order to avoid the labour laws * Being sensitive. Before offering a compensation package for instance when you hire part time employees and there happen to be mothers working in their free time. You need to pay them well enough to afford a day care service <p>CHALLENGES OF NEGOTIATION</p> <ul style="list-style-type: none"> ✓ Price only negotiation. Successful negotiators believe that economics is not everything and thus focus on no price factors such as relationships and interest ✓ Language difference, this a situation where the negotiators do not have a common language to use during negotiation process, this hinders effective communication and negotiation 	<ul style="list-style-type: none"> ✓ Time pressure: Time may be limited to gather all details required for in order to have a balanced negotiation. ✓ Influence of another decision maker: An entrepreneur may delegate another employee to negotiate on his or her behalf. ✓ The delay tact: Boss always give excuses or keep one waiting for a long time such that a shorter discussion is realized and agreement is reached. ✓ Last minute wavering: Towards completion of negotiation one party may bring a new point, forcing negotiator to change on allowed agreed position. ✓ An earlier concession: Some negotiators show an earlier agreement and expect the other party to behave in the same way. ✓ Aggressive behaviour ie bullying, an attempt to make sarcastic comments during negotiation which makes difficult to reach an agreement. ✓ Negotiating the other party problem: Some negotiators have concern for only their problems therefore it requires understanding and addressing problems of the other party. ✓ Letting positions over ride interests. Despite the clear advantage of reconciling deeper interest people have a built in bias towards focusing on their own positions. ✓ The linking logic: This is based on the assumption that if a person is correct in one thing he/she must be correct in another. ✓ Neglecting the other side's problem, negotiation can be effective when the two parties involved in the process don't take into account of each other problem

WAYS OF OVERCOMING CHALLENGES IN NEGOTIATION

- Time pressure can be solved by allowing a considerably long period of time to both parties involved in the negotiation exercise.
- The challenge of the influence from other decision makers may be solved by consulting superiors before entering into any negotiation.
- Delaying tactics may be solved by adding exercise in order to give another party an opportunity.
- Being emotional can be solved by being emotionally balanced and psychologically composed during the negotiation process. That is, never allow emotions to over shadow personal reasoning or intellectualism.
- Neglecting the negotiators personal problems can be solved by cooperating with each other during the negotiation process.
- Making joint concession may be solved by negotiating with individuals and get a good agreement that may bring in sales and products.
- Letting the position over ride the interest can be solved by not allowing prevailing situations to over shadow the personal interests hence leading to failure to compromise.

BUSINESS ETHICS

Ethics are a set of moral principles which are recognized in respect of a particular class of human actions or group

Business ethics are acceptable measures or ways in which the business should conduct themselves towards their customers, employees, society, government and fellow business

PRINCIPLES OF GOOD BUSINESS ETHICS

- ☞ Honesty. An entrepreneur should be open and freely share information.
- ☞ Promise keeping. One will not make promises that cannot be kept and will not make promises on behalf of the company unless he has the authority to do so.
- ☞ Fairness. E.g equal treatment of workers, like giving them a fair pay depending on stipulated conditions
- ☞ Respect for others. It's important for one to honour and value the abilities and contributions of others.
- ☞ Compassion, one should maintain an awareness of the needs of others and act to meet those needs whenever possible.
- ☞ Integrity, one will always live up to ethical principles, even when confronted by personal, professional and social risks as well as economic pressure.
- ☞ Cooperation or team work, should be able to support acts of other business partners and work together to achieve the common goals of the industry e.g. during strike due to high taxes.
- ☞ Law abiding. Ethical entrepreneurs abide by laws, rules and regulations relating to their business activities.

PRINCIPLES OF GOOD BUSINESS ETHICS

- ☞ Commitment to excellence. Ethical entrepreneurs pursue excellence in performing their activities
- ☞ Reputation and morale. Ethical entrepreneurs seek to protect and build their businesses' good reputation and the morale of its employees.
- ☞ Accountability. Ethical entrepreneurs acknowledge and accept personal accountability for the ethical quality of their decisions.

STEPS IN DECISION MAKING THAT AID ETHICAL DECISIONS

1. Defining the problem that requires a decision. It is good to take time to clarify the problem before taking a decision.
2. Considering alternative solutions to the problem. There is always more than one solution to any problem. Practice thinking about possibilities before taking action.
3. Identifying the consequences of alternative solution.
4. Collecting information if you do not have enough to make a right solution

PARTIES TO BUSINESS ETHICS

- The clients or customers who deal in the business
- Employees who are employed by the business
- Government of the country or authority in which the business activities take place
- Businesses which competes with the entrepreneur's business
- The society within which the business operate
- The suppliers of inputs

<p>BUSINESS ETHICS TOWARDS CUSTOMERS</p> <ul style="list-style-type: none"> * Provide products of the right quality. * Provide customers the right quantity or weight. * Ensure continuous supply of goods. * Deal with customers honestly, politely and fairly. * Conduct business in a clean environment. * Supply goods at fair and reasonable prices. * Avoid exploitation of consumers through business malpractices. * Inform and educate customers. * Provide goods that meet needs of consumers. * Responsibility. * Fulfilling customer expectations. * Avoiding trade malpractices or profiteering. 	<p>BUSINESS ETHICS TOWARDS EMPLOYEES</p> <ul style="list-style-type: none"> * Giving room for creativity and innovation. * Listening to employee's personal problems and complaints * Respect, for instance the entrepreneur should not publically abuse employees and the norms of the society of the area should be respected when handling employees * Provision of proper recognition, appreciation and encouragement of special skills to capabilities of workers, this increases their morale and devotions to their work in business 	<p>BUSINESS ETHICS TOWARDS GOVERNMENT</p> <ul style="list-style-type: none"> ○ Complying with the laws that govern the business like registration laws, licensing laws, labour laws, occupational hygiene ○ Observing and setting the tax obligation as required by law, it is a must for entrepreneur to pay taxes and they should be paid on time and in full ○ Businesses should follow the government policies in their operations like selling products that are acceptable by the government, should avoid engaging in illegal commodities like fire arms, expired commodities etc ○ The business should meet the production standards in terms of quality, weights etc, dishonesty acts like charging the weighing scales in order to exploit consumers should be avoided ○ The business should also comply with occupational hygiene, environmental regulations etc as prescribed by the central and local government
<p>BUSINESS ETHICS TOWARDS EMPLOYEES</p> <ul style="list-style-type: none"> * Ensuring fair remuneration. Employees are human beings who are entitled to fair pay. * Promoting employee advancement. A business should provide opportunities for personal advancement through promotion, delegation education, training and experience. * Ensuring job security. Employees should be assured of their jobs from time to time. * Involvement in decision making. * Giving fair and clear terms of employment. * Ensuring satisfaction. It is the responsibility of the employer to ensure that employees are satisfied with their job. * Providing good working conditions. Employees need conducive working environment to perform well. 	<p>BUSINESS ETHICS TOWARDS THE SOCIETY</p> <ul style="list-style-type: none"> ○ Conserving the environment. E.g trying all the necessary ways of controlling pollution i.e. in air, water and swamps. ○ The business should endeavor to protect people's health and lives during its operations ○ A business should have strict considerations for the norms, for instance during business activities in what is acceptable to the culture or religious beliefs of the society ○ A business is also expected to get involved and contribute to the needs of the society, like cleaning or road construction. ○ A business is also expected to provide employment opportunities to the community members instead of giving them out to foreigners 	<p>Business ethics towards suppliers</p> <ul style="list-style-type: none"> ✓ Paying them promptly ✓ Offering them a fair price ✓ Attending to their complaints ✓ Respecting the terms and conditions of the transactions <p>Business ethics towards competitors</p> <ul style="list-style-type: none"> ✓ Discouraging secret agreements /monopoly. ✓ Ensuring fair trading ✓ Anti-competitive policies ✓ Merging where possible ✓ Giving referrals in favour of competitors

<p>BUSINESS ETHNICS TOWARDS SHARE HOLDERS</p> <ul style="list-style-type: none"> ✓ The business should protect the interests of the shareholders / the entrepreneur for business survival. ✓ The management of the business should make sure that the capital of the business is safe from misappropriation, should avoid mishandling business property etc ✓ The management should ensure that the business makes profits and deliver the right dividends to the share holders ✓ Management should ensure that the business image is amplified so that the entrepreneurs enjoy self-esteem and recognition. <p>IMPORTANCE OF BUSINESS ETHICS TO BUSINESS</p> <ul style="list-style-type: none"> ○ It promotes customer loyalty. Being trustworthy and respecting that the customer is the king is paramount in business. ○ Enables business people to meet obligations of their customers and business partners regardless of anything else ○ It increases sale. ○ It increases profits and business growth. ○ It enhances business image and reputation. Practising ethical business behaviour builds the image of reliability and establishes reputation with the public. ○ It leads to easy access to human resources through gaining good reputation which enables, it to get human resources to work for it ○ It leads to easy access to inputs like raw-materials. 	<p>IMPORTANCE OF BUSINESS ETHICS TO BUSINESS</p> <ul style="list-style-type: none"> ○ It attracts government support. in form of subsidies, tax concessions, ○ It prompt businesses to meet their obligations to all stakeholders. ○ Raises labour productivity. <p>Unethical practices that are used by entrepreneurs while running their businesses.</p> <ul style="list-style-type: none"> ✓ Supplying low quality/inferior goods. ✓ Charging high prices. ✓ Misleading advertisement. ✓ Poor remuneration to employees. ✓ Discriminative employment policy. ✓ Use of child labour. ✓ Payment of low rate of dividend to shareholders ✓ Misuse of funds/mismanagement of the company. ✓ Overexploitation of resources. ✓ Disregard of business laws ✓ Creating inconveniences to local people. 	<p>COMMUNICATION SKILLS</p> <p>Communication refers to the process of exchanging information between the sender and receiver. It is how we transmit thoughts, feelings, knowledge and ideas from one person to another.</p> <p>Refers to the whole process of communication from the origin up to conceptualizing and the response of the intended message by the right person. The communication cycle is not complete before feedback even if the message reached the intended recipient</p> <p>Communication flows in different directions depending on who is sending it</p> <p>➤ Downward communication that flows from top to bottom, for instance from managers down to subordinates</p> <p>Media involved in downward communication.</p> <ul style="list-style-type: none"> ✓ Meetings are used to transmit orders, instructions, information, policies etc to employees. ✓ Notices used to pass short message which concern a number of people. ✓ Letter used to pass special information to employees e.g appointment letters, promotions, dismissals etc. ✓ Company news letter's (periodical) for passing information on the puts, activities, performance, policies ✓ Hand book or pamphlets used to pass information such as procedures, standing orders
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<p>➤ Upward communication that flows from bottom to top, for instance from subordinates to supervisors</p> <p>Media for upward communication.</p> <ul style="list-style-type: none"> ✓ Suggestion box where employees are encouraged to write their complaints, suggestions and drop in box ✓ Social gathering where employees interact in free informal atmosphere and share their problems. ✓ Open policy where the management encourages subordinates to issue to his / her without fear. ✓ Direct correspondence where employees write to the management addressing issues at hand. <p>➤ Horizontal and diagonal communication takes place between different functional departments of the organisation.</p>	<p>Communication cycle/process</p> <ul style="list-style-type: none"> * Sender is the source of the message. The sender is the one who initiates the thought and communicates it. * Message. The message is the form in which the sender encodes the information he wants to send. * Encoding. This is when the sender translates the idea into symbols to represents something. * Medium or channel. This is the method of transmission of the message from the sender to receiver. * Receiver. This is the person who receives the message. This is the person for whom the message is intended. * Decoding. This is the process by which the receiver interprets the message and translates it into meaningful information. * Feedback is the reversal of the communication process, in which a reaction of the sender's message is expressed. It may be in any form e.g words, written etc. 	<p>Formal channels. These are official channels laid out the organizational policy. They specify how information should flow from which direction to what direction</p> <ul style="list-style-type: none"> a) Down ward, here information flows from the top ranks to the lower ranks. It comes in form of instructions, policy statements, guidelines, information and channeled by tools like company policy documents, bulletins, newsletters etc b) Upwards channel, here information flows from the lower ranks to the top management. It goes in form of reports from tasks assigned, progress, grievances and complaints etc. c) Horizontal channel, this is communication between and among people of the same rank e.g managers, supervisors, team leaders respectively
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<p>Informal channel</p> <p>a) Informal but official, here the information is passed over in an informal way. For example someone can warn someone about the job and this is done without putting it in writing, even someone can be given job without writing application letter.</p> <p>b) Grape vine channel, this develops out of a situation where the official channels are either non- existence or blocked.</p> <p>c) By pass, this is a situation where management decides to bypass certain levels in the hierarchy, usually middlemen tend to restrict or even block the flow of information may be quite essential to the achievement from the objectives of the organisation.</p> <p>Choice of a medium of communication</p> <ul style="list-style-type: none"> ❖ The language to be used in the message. ❖ The nature of the message to be communicated. ❖ Speed and urgency of the message. ❖ The coverage of the medium. ❖ The cost of the communication channel is considered (how costly it is) ❖ The social and education status of the people one wants to communicate to. ❖ Availability of the communication medium. ❖ Secrecy and confidential of the message. ❖ The age group of the recipient. ❖ Feedback. ❖ Message performance. 	<p>Effective communication refers to the process of transferring information from the sender to the receiver with information being understood by the receiver as communicated by the sender.</p> <p>Essentials / principles of effective communication</p> <p>For communication to be effective, it should possess the following, i.e. 7c's of effective communication</p> <ul style="list-style-type: none"> ✓ Clarity, the message conveyed must be organized, loud and clear leaving no room for any doubt. ✓ Consistence, the sender should be consistent in the use of channel and the code through which he is communicating the message ✓ Concreteness, the communication should be concrete, which means the message should be clear and particularly such that no room for misinterpretation is left. ✓ Courtesy, the communicator should not be rude, should communicate politely. ✓ Consideration, plan carefully and try to understand the information needs of the recipient. ✓ Conciseness, effective communication should be brief and precise to the point. ✓ Completeness ie it must include all the relevant information as required by the intended audience. 	<p>Essentials / principles of effective communication</p> <ul style="list-style-type: none"> ✓ Interest and acceptance, the sender must ensure that adequate interest is generated among the recipient of the message and that they are ready to make reply. ✓ Environment, the sender should ensure that the recipient receive the message as required. ✓ Distribution, the communication should be addressed to those who are supposed to have it. ✓ Simplicity of the language, the sender must keep his language as simple as possible. ✓ Timing, the message should be conveyed at a time when the receiver is able to listen and receive it. ✓ Media, the sender must use a media that the target recipient uses.eg newspapers when communicating to the elite of urban areas. ✓ Controlling Emotions ,emotions play an important role in interpersonal relationships between the sender and the receiver
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<p>Effective Communication Techniques:</p> <ul style="list-style-type: none"> * Listening: You have to listen to the other party. Do not commit the mistake of thinking that communication is only a one-way street. * Expression: Whenever you are expressing yourself, talking truthfully and honestly will send out a signal that you trust your audience. * Taking Criticism Positively: If someone comes to you with criticism, it is just a natural human response to defend your stand. Try to take criticism positively and constructively. * Avoiding Arguments: Try to avoid getting into such arguments. And even if you get into such a situation, instead of trying to win the argument, find an amicable solution in a constructive way. * Understanding the Audience. You need to be able to understand your audience as they are the ones for whom you are speaking. * Feedback: It is better to take proper feedback to enable you know the perspective of the person in front of you. 	<p>Barriers to effective communication</p> <p>A communication barrier is any hindrance that prevents the receiver from getting the intended message from the sender. Some of the barriers to effective communication include</p> <ul style="list-style-type: none"> ✓ Difference in individual interpretation of words. Some words have two or more meanings and this makes effective communication difficult. ✓ Unfavorable communication environment. E.g where there is a lot of noise, which obscures one from listening to verbal message properly. ✓ Language differences. Some people have different languages and this makes it difficult to understand the message communicated. ✓ Use of inappropriate channel of communication. e.g communicating through television when your target group is blind people. ✓ Non-verbal communication like body movements, gestures, eye movements and facial expressions may distort the meaning of a message ✓ Incompleteness of the message. When the message sent by the sender does not include all the facts that the receiver needs to know about the subject matter. ✓ Lack of interest. If the receiver is not interested e.g if the message is communicated at an inconvenient time or a wrong target group and will make the message boring. 	<p>Barriers to effective communication</p> <ul style="list-style-type: none"> ✓ Long distances between the sender and the receiver. Long distances create many obstacles which hinder effective communication ✓ Poor packaging of the message to be sent. If the message is not attractive to the receiver or the message is not well packaged to attract the listener hinders effective communication. ✓ Emotional block. Anger, fear by the recipient during communication is a barrier to effective communication. ✓ Poor listening skills and premature evaluation. Lack of good listening culture especially among the youth tends to make communication ineffective. ✓ Failure of the sender to be considerate when communicating e.g if the sender is not considerate in his communication. ✓ Information overload. Giving too much information make it difficult for people to understand it. ✓ Poor planning by the sender of the message leads to poor receiving of the message (garbage in, garbage out) ✓ Network problems or poor network. In case of telecommunicating, communication is not effective when the network is poor, even with internet use. ✓ Use of wrong address. In enterprises, use of wrong address cause communication not to be effective as message is received by a wrong recipient. ✓ The difference in class between sender and receiver directly affects the communication process.
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<p>Ways of overcoming barriers to effective communication</p> <ul style="list-style-type: none"> ➤ Explaining to the receiver so that he gets to share the meaning of the message of the sender to overcome differing perspective. ➤ By using simple direct language while communicating to overcome language differences. ➤ Understanding and changing people's behavior to ensure maturity of Organisational members in order to overcome emotional blocks ➤ By understanding or being aware of the meaning of different gestures, body movements, clothing and postures ➤ Creating trust, this involves building confidence through understanding, discussing issues ➤ Eliminating physical noise e.g if it is a machine, it can be switched off or those communicating may move away in order to overcome destruction ➤ Planning well before communication, the sender should plan well in advance what he wants to say, why is saying it and how he will say it. 	<p>Importance of communication in business</p> <ul style="list-style-type: none"> ✓ It helps an entrepreneur to pass on relevant information to his staff, customers, government and public which may be beneficial to the business ✓ It helps the entrepreneur to search for, establish and disseminate organizational goals to the different departments ✓ It helps in recruiting and selecting workers for business ✓ It facilitates the allocation of organisational resources in the most effective way. ✓ It helps entrepreneur to implement his / her policies by giving instructions to employees or their supervisors. ✓ It helps entrepreneurs in negotiating with customers so as to get the best bargain in his / her dealings ✓ It enables managers to influence, direct, motivate and create a conducive working environment for organisational members ✓ It helps in keeping good relationship with his customers and new customers ✓ It helps the entrepreneur in making decisions basing on the informed that is available. ✓ It helps the public to get knowledge about the existence of the business and its operations, which improves on the public image of organisation 	<ul style="list-style-type: none"> ✓ It helps in creating good understanding between the entrepreneur and his / her employees through conducting meetings and discussions ✓ It helps the entrepreneurs to co-ordinate operations of his / her business that are executed in different departments ✓ It acts as a measure of managing credit sales and credit purchases in business, hence smooth running of the business ✓ Enables the entrepreneurs to get feedback from the organisational members of the tasks given to them. ✓ It enables the entrepreneur to get information about macro- policy intentions of the government, tax policies regulations. ✓ Communication acts as a form of increasing the sales volume and widening the market share e.g through advertising, printing brochures concerning business etc ✓ Aids market research through the use of interviewing, questionnaires and customers and entrepreneur can be able to gather necessary information ✓ It also helps the government and other regulatory bodies to monitor and direct the business operations
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<p>Forms of communication This refers to the methods or manner through which the entrepreneur can communicate his or her message.</p> <p>* Verbal / oral communication. Refers to the form of communication in which message is transmitted by word of mouth, face-to-face or by telephone.</p> <p>Advantages of oral communication</p> <ul style="list-style-type: none"> ➤ It brings quick feedback in face-to-face conversation, by reading facial expression and body language one can guess whether he / she should trust what being said or not. ➤ There is room for flexibility where questions or instructions can be rewarded to suit the situation. ➤ It also allows contribution and participation of all parties involved. <p>Disadvantages of oral communication</p> <ul style="list-style-type: none"> ➤ In face-to-face discussion, user is unable to deeply think about what he is delivering, so this can be counted as a written communication. ➤ Little time is allowed for important matters to be discussed which will leave both parties unsatisfied. <p>*</p>	<p>* Written and printed communication. In written communication, written signs or symbols are used to communicate.</p> <p>Forms of written communication</p> <ul style="list-style-type: none"> * A memo. This is on internal communication, it is a written message used with the same organization. * A business letter, is usually used when writing from one company to another or for correspondence between such organisations and their customers and other external parties. * Agenda refers to the list of items to be handled at the meeting. * Meeting minutes, these are records of what took place at the meeting. * Notices, these may be used by an entrepreneur when giving out short message to concerned person * Circulars, these are written documents given to different people but have the same information. * Report, these are used by entrepreneur to give conclusion and recommendations based on investigated facts and situations. * bulletins, a brief report, especially an official of public interest issued by an organisation for immediate publication or broadcast e.g journal, business manual * Circulation slip. This may be used by an entrepreneur to inform the named personnel, i.e. If one person receives the document, reads it and pass it on to another person named on the slip 	<p>Advantage of written communication</p> <ol style="list-style-type: none"> a. It provides information that act as a source of reference in future b. It is capable of relaying complex ideas like legal matters, sale of goods agreement c. It gives chance to the presenter to analyze , evaluate and summarize material in such a way that could be appropriate to the receiver d. It can be used to confirm, interpret and clarify earlier oral communication e. It forms a basis for forming contracts or binding agreements. <p>Disadvantages of written communication</p> <ol style="list-style-type: none"> a. Documents can be time consuming in production and sometimes very expensive and costly b. it lacks mutual advantage that proximity provides for its usually easier to influence the person you are talking to than the one you are writing to. c. There can be a problem of interpretation, if the receiver is not well acquainted with language and style of the sender d. It doesn't allow exchange of opinions until after a long period of time yet by then the issue might have been overtaken by events. e. Lack of instant feedback. written communication doesn't allow for instant feedback, such as questions or facial express f. Possibility of miscommunication. Written communication doesn't include facial expression, making miscommunication more likely g. Impersonality. Written communication is less personal than oral communication, making it less ideal for emotional messages.
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<p>Visual or non-verbal communication Is the process of communication through sending and receiving wordless (mostly visual) cues between people.</p> <p>Forms of visual communication</p> <ul style="list-style-type: none"> ➤ Organisational charts: these can be used to show the organisation structure of the business showing different sections or departments in the business and how they relate or report to each other. ➤ Photographs: these can be used as illustration of some other information given so as to improve on appreciation and understanding, such photographs are used to advertise the goods and their needs to customers ➤ Films or documentaries: these can also be used by entrepreneurs to provide information about the business' operations e.g films may show customer care activities, business latest products and their applications, they can also be used for training purposes ➤ Posters and wall charts: these can be used to represent or illustrate certain information in the business and serve as an important method of advertising and giving awareness to the target groups ➤ Graphs: can also be used by an entrepreneur to present information about the performance of the business, like one can use bar charts, graphs, pie charts etc to compare the sale or profits of different periods and also to show the trend of business performance 	<p>Channels / media of effective communication in business</p> <ul style="list-style-type: none"> ✓ Press. This communication media basically includes newspapers, magazines, journals, printed catalogues etc. under this medium, message is conveyed among traders. ✓ Radio and television, under this media, traders are able to communicate to the public about the goods and services they offer through television and radios. ✓ Telephone. This is a medium of oral communication where people speak to one another through telephone receivers. ✓ Internet. This is the worldwide area network of computers communicating across continents. ✓ Letters. This is a method of written communication which involves writing letters and sending them through the post office to be delivered to the addressee or they may be directly delivered. 	<p>Ways of communicating to customers and suppliers.</p> <p>How to present a product?</p> <ul style="list-style-type: none"> ✓ Ensuring that the sales person is smartly dressed, so as to deliver the present the products more easily. ✓ The target customers' needs must be analyzed in order to select the most appropriate way of representing the product. ✓ Starting the presentation of the products by first giving the outstanding features of the product, the benefit to the customers etc ✓ By keeping the customer privacy, convenience ability to use the products and others so as to plan how best to present the product. ✓ Giving samples of the products to customers so as to identify and get their input into productive development. ✓ Using relevant presentation aid, photographs, charts to back up the information about the product. ✓ Telling the truth about the products and during presented to potential customers. ✓ Giving a chance to potential customers to give their opinion about the product. ✓ Handling any doubts in the minds of the customers tactfully by trying to convince him or her.
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<p>How to bargain with customers?</p> <ul style="list-style-type: none"> ✓ Being a good communicator during the process of bargaining with customers like talking dearly, showing respect etc. ✓ Avoid dominating the bargaining process, by allowing customers to also give their own views during the bargaining process. ✓ Giving counter offers to customers e.g. reducing the price of the product so as to induce them to purchase. ✓ Improving on the customer service, by having an effective customer service department to facilitate the bargaining with customers <p>How to give personal attention to customers?</p> <ul style="list-style-type: none"> ✓ understand customer's wants and needs and bring products to satisfy them ✓ Sell products at the right prices, in the right quantity and quality. ✓ Use the right promotion and in the right place at the right time in order to meet customers' needs and wants as identified by the entrepreneur. <p>How to follow up orders from suppliers?</p> <p>The entrepreneur should</p> <ul style="list-style-type: none"> ✓ Make sure that he has the physical address, telephone numbers and all other contacts. ✓ You can make other methods of contacts as you follow up your order like writing a reminder letter, visiting suppliers' premises, sending e-mails, making telephone calls. 	<p>How to collect overdue accounts?</p> <ul style="list-style-type: none"> ▪ Begin by identifying all the debtors for a given period from the accounts books of the business and listing them according to their debt amounts. ▪ Grouping of all the debtors according to their credit periods and then assigning specific workers to each of them to help in collection of the debts. ▪ Sending polite reminders to customers with overdue accounts or calling them on phone to remind them of their debts. ▪ Receiving /collecting of debts from different debtors through the workers assigned to do the collection. ▪ Updating of the debtors records and then issuing statements of accounts to each of them. ▪ By sending a more strongly worded last debt reminders to debt defaulters to pay their debts not later than the new deadline date stated. ▪ Taking legal action against debtors who still have failed to settle their debts after the new deadline date by employing courts of law to recover the debts. 	<p>How to handle difficult customers?</p> <p>In order to handle difficult customers, an entrepreneur should</p> <ul style="list-style-type: none"> ✓ Receiving or acknowledging and evaluating the difficult customers' objections or complaints to determine whether they are genuine. ✓ Listening carefully to what the difficult customer is saying so as to make him have hope that the complaint shall be addressed. ✓ Learning to apologize to the difficult. After understanding the problem. ✓ Getting the difficult customer open up and give all the details about the complaint so as to get the cause of the problem and be addressed. ✓ Trying to convince the difficult customer especially in the case of a minor problem that the problem experienced shall not be made to occur again. ✓ Refunding the money of the difficult customer if that customer rejects replacement of the product. ✓ Replacing of the product sold to the difficult customer in case the upset is due to receiving a damaged/faulty product and an apology made to the customer. ✓ Buying more time for problems that cannot be immediately solved by asking the customer to come back later. ✓ Reducing the price of the product in case the previous purchases made by the difficult customer had a problem as a way of trying to make the customer feel happy. ✓ Establishing the customer care desk or office and employing a well-trained worker to handle problems of difficult customers. ✓ Calling security personnel to handle difficult customer who becomes violent at the business premises.
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<p>LISTENING SKILLS</p> <p>Listening is defined as the ability of an individual to interpreter and understands what is being communicated.</p> <p>The process of listening:</p> <p>This process has five stages – sensing, interpreting, evaluating, remembering and responding.</p> <ol style="list-style-type: none"> 1. Sensing: this means to get in tune with the speaker, as we tune a radio the listener is prepared and knows that he has to listen. 2. Interpreting and evaluating: Listening is meaningful when a person converts the words coming to him into ideas. The ideas make sense or no sense. 3. Remembering, Listening serves a great purpose when creating mental pictures, for example when an address is being explained. 4. Responding: this means to act on the message received and to let the speaker know this. 5. Evaluation 	<p>Approaches to Listening:</p> <p>Listening can be classified from a mere show-off to the wholehearted act:</p> <ol style="list-style-type: none"> 1. Pretending to listen: here the listener faces the speaker, across the table or on the phone line, as long as he speaks and then switches off without registering the message. 2. Selective listening: In the case of an important message, selective listening leads to partial fulfillment of the instructions. 3. Superficial listening: This is where the listener takes in only the words but not the spirit of the message. 4. Emphatic listening: This term conveys full emphasis on the act of listening and taking in the entire message in word and spirit. 5. Dynamic (mutually creative) listening: Here, listening is a creative process in which the listener contributes to the meaning that is being conveyed. 6. Intuitive listening: this means a direct insight into the truth. For an intuitive listener, a mere hint, an undertone or a silence is enough to read the other person's mind. 	<p>Barriers to Effective Listening:</p> <ol style="list-style-type: none"> 1. Poor hearing: If one's sense of hearing is defective, listening is impaired. 2. Listener's chain of thoughts: i.e. when the mind of listener is having own thoughts. These may become rapid and loud from time to time, marring one's receptivity. 3. A too heavy message: Use of jargon or over compression of ideas may make an oral message too heavy for the listener. 4. Listener's self-importance or prejudice: i.e. when the listener has put himself above the speaker, there is no receptive attitude. 5. Misunderstanding about the role of a listener. They may think that it is the speaker's responsibility to explain everything properly. 6. Cultural gap: If the speaker and the listener have different cultural habits, the listening may be incomplete. The listener may assign different importance to a word or phrase than is meant. 7. Preoccupations: Some people listen while eating, drinking or doing hand-work. In such cases the attention is divided. This affects listening. 8. Ego influence; if the receiver considers himself superior and is not willing to listen, this ego problem acts as a stumbling block in the listening process.
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How to develop entrepreneurial listening skills

1. Send signals to people through the eyes and body gestures so that they know one is listening.
2. Relax when communicating such that others will feel comfortable when adding their comments.
3. Slow down the minds when listening so that you are predicted by what people say.
4. Improve on the concentration.
5. Avoiding forming a reply before hearing what other persons say.
6. Do not be defensive about the individual point of view during communication.
7. Keep the voice soft rather than aggressive.

How to attend to the messages

The following is involved when an individual attends to the message:

- Making eye contact: Eye contact increases your chance of getting the message.
- When on phone, try not to look at things that will distract you from listening to and attending to the speaker.
- Your body posture, including slight leaning posture suggests that you are paying attention and helps you to stay tuned in.
- When on phone, try to position yourself so that you are comfortable but not relaxed that you lose the ability to attract the callers. Use vocal attending behaviors' "eh-huh", mm-hmmm"
- When interacting with the speaker in person face the speaker squarely and lean forward slightly towards the speaker to show that you are attentive.
- Verbal or non-verbal acknowledgement of the speaker helps to involve you in the communication process and lets the speaker know you are paying attention.
- When interacting with the speaker in person, use non-verbal attending behavior such as nodding and facial expressions.
- Clear your mind, on thoughts to avoid mentally wandering and other destructing behaviors.

to be continued