

1.0 INTRODUCTION TO ENTREPRENEURSHIP DEVELOPMENT

1.1 Definition of Entrepreneurship

Entrepreneurship can be defined as the process of starting a new organization. In simple terms, it is actually starting your own business. Thus, anyone could be an entrepreneur, although it is not an easy task to do. This is due to the fact and observation that a lot of new businesses do not succeed.

At its core, entrepreneurship is about starting a business from scratch, which includes everything from spotting an opportunity or a gap in the market or an unmet customer need and conceptualizing an idea on how to address it commercially, to fully developing that idea, implementing it and finally to managing the venture for the long term.

Nolan Bushnell, who founded Atari and Chuck E. Cheese's, believes the key to becoming an entrepreneur is as simple as doing something. "A lot of people have ideas, but there are few who decide to do something about them, now," Bushnell said. "Not tomorrow, Not next week, But, today. The true entrepreneur is a doer, not a dreamer."

Peter Drucker, known as "The Father of Modern Management," said entrepreneurship centers around innovation.

"Entrepreneurs need to search purposefully for the sources of innovation, the changes and their symptoms that indicate opportunities for successful innovation," Drucker said. "And they need to know and to apply the principles of successful innovation."

Drucker maintains, Entrepreneurship is not a 'personality trait'; it is a feature to be observed in the actions of people or institutions. Entrepreneurs in health, education or business work basically the same way. Essentially, they do not just do something better, but do it *differently*.

Howard Stevenson: Entrepreneurship is often thought of as starting a new business or creating innovation. But in reality entrepreneurship, in our view, is the pursuit of opportunity beyond the resources you currently control. Now what does that mean? It means you have to persuade

customers they'll be better off buying your product. You have to persuade employees that they might be better off if they work with you rather than with an established company. And you have to persuade investors and other people that provide the resources that this is a real opportunity. So entrepreneurs have to be able to convey a future vision of the world and then help people believe that vision of the world is possible.

According to Business Dictionary.com it is the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.

In economics, entrepreneurship combined with land, labor, natural resources and capital can produce profit. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

In *The Handbook of Economic Sociology*, Howard E. Aldrich has a good summary and evaluation of various definitions of entrepreneurship. According to Aldrich, there are four competing definitions of entrepreneurship:

1. The setting up of high-growth and high-capitalization firms (as opposed to low-growth and low-capitalization 'lifestyle' businesses);
2. Innovation and innovativeness leading to new products and new markets (the Schumpeterian tradition);
3. Opportunity recognition (the Kirznerian tradition);
4. The creation of new organizations.

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. Most economists believe it is more than that.

To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator

who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

Business expert Peter Drucker (1909-2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity. A quick look at changes in communications—from typewriters to personal computers to the Internet—illustrates these ideas.

Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Therefore, government support for entrepreneurship is a crucial strategy for economic development.

The culture of a community also may influence how much entrepreneurship there is within it. Different levels of entrepreneurship may stem from cultural differences that make entrepreneurship more or less rewarding personally. A community that accords the highest status to those at the top of hierarchical organizations or those with professional expertise may discourage entrepreneurship. A culture or policy that accords high status to the “self-made” individual is more likely to encourage entrepreneurship. - U.S. Department of State/Bureau of International Information Programs

The concept of an entrepreneur is further refined when principles and terms from a business, managerial, and personal perspective are considered. In particular, the concept of entrepreneurship from a personal perspective has been thoroughly explored in this century. Third exploration is reflected in the following three definitions of an entrepreneur:

In almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

To an economist, an entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is typically driven by certain forces the needs to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better ways to utilize resources, reduce waste, and produce jobs others are glad to get.

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources.

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. Hisrich, PhD, et al (2005).

"Entrepreneurship involves bringing about change to achieve some benefit. This benefit may be financial but it also involves the satisfaction of knowing you have changed something for the better. (Entrepreneurship: Creating a Venture by Lily Kretchman et al. Toronto: Wiley, 1991.)

"Entrepreneurship is essentially the act of creation requiring the ability to recognize an opportunity, shape a goal, and take advantage of a situation. Entrepreneurs plan, persuade, raise resources, and give birth to new ventures." (Entrepreneurship: The Spirit of Adventure by Richard Bodell et al. Toronto: Harcourt Brace Jovanovich, 1991.)

Entrepreneurship is more an attitude than a skill or a profession. Some of us may prefer a corporate or public service career path, but many would choose an entrepreneurial opportunity that "feels right."

Entrepreneurship is generally characterized by some type of innovation, a significant investment, and a strategy that values expansion. The entrepreneurship is often quite different in mindset from a manager, who is generally charged with using existing resources to make an existing business run well. The roles of entrepreneur and manager are not necessarily incompatible, but entrepreneurs are seldom patient enough to be good managers.

"Entrepreneurship is a powerful force for driving innovation, productivity, job creation and economic growth." Industry Canada, study "The State of Entrepreneurship in Canada" – February 2010.

1.2 Definition of an Entrepreneur

Entrepreneurs, in the purest sense, are those who identify a need—*any* need—and fill it. It's a primordial urge, independent of product, service, industry or market. For a long time, it was thought that entrepreneurs were special, that they were just born with the ability and desire to go on their own. Over the past two decades, research has shown that entrepreneurs learn to do what they do, and that they also learn, to a large extent, to *be* who they are. But even with that said, research shows that they are some specific characteristics they need to have in them, whether by birth or nurture, to become successful entrepreneurs. We will discuss these later.

Just like the term "entrepreneurship" above, the "entrepreneur" has many definitions due to the various aspects and perspectives each person defining it places emphasis on

ManoushZomorodi - Author, Media Consultant

"Someone who envisions, creates, and evangelizes an idea that they are absolutely crazy about. That idea (it could be a product, book, consultancy) makes it easier for them to get up in the morning, work ridiculous hours, and keep their brain buzzing. The entrepreneur can work alone,

within a company, or in a group, but he/she gets itchy at the thought of working a 9-5 job and following the orders of anyone who isn't efficient and imaginative."

Mark Cuban – Owner of Dallas Mavericks, Blogger, Shark Tank Investor

"Someone who can define the business they want to create, see where it is going, and do the work to get there."

Jeet Banerjee – Tech Entrepreneur – Founder of Statfuse.com, Blogger

"To me, an entrepreneur is someone who mixes passion, innovation, and drive to turn a vision into a working business."

Matt Mickiewicz – Owner of 99Designs.com, Flippa.com, and Sitepoint.com

"An entrepreneur is someone who has a bias towards action. Someone who views the world through a different lens. Someone who takes "no" for a challenge, not an answer."

Rob Irizarry – Tech Entrepreneur, Investor, Consultant, Owner of StartupBozeman.com

"What differentiates entrepreneurs from everybody else is a vision of something that doesn't exist (either at all or in the form they envision) and the willingness to do what other people are unwilling to do to make that vision a reality."

Jamie Tardy – Entrepreneur, Speaker, and Blogger at Eventual Millionaire.com

"An entrepreneur is someone that goes out and does the work to create something that didn't exist before."

Michael Fitzgerald - Founder of Submittable.com

"Someone who makes something useful or pleasurable out of nothing."

Matthew Toren - Co-Founder of YoungEntrepreneur.com,

Blogtrepreneur.com, iSell.com, and Kidpreneurs.org. Mentor & Investor. Award Winning Author of Small Business BIG Vision.

“An entrepreneur is someone who conceives an idea, creates a path to success, does whatever it takes to succeed and tries to dominate their market!”

Brad Feld – Founder of TechStars, Investor, Author - Startup Communities

“An entrepreneur is someone who creates a new company from scratch.”

Jared Tanner - Owner of E-commerce Store - Uplanders.com

“A person who has so much passion for an idea that they’re willing to risk almost everything to make their dream a reality.”

Luke Kupersmith – Owner of Source Consulting

“To me, an entrepreneur is a person that orchestrates through their own personal gumption, initiative, and resources with a degree of insanity, collectively towards an effort to turn a business concept into a business reality.”

Barbara Corcoran - Real Estate Developer, Business Consultant, Shark Tank Investor

“The single most defining characteristic of an entrepreneur is passion. It helps to be pushy – pushy people deliver. It helps to have a gimmick – a unique gimmick will give you a great leap over your competitors. It helps to be willing to fail – all my best business successes came on the heels of what first appeared to be a big flop. But great passion is what it really takes to build a successful business despite the challenges you will face.”

Billy Cox - Keynote Speaker, Author, and Sales Trainer - Author of Get in the Game and Allstar Sales Book

“Entrepreneurs are business minded individuals who can see what others can’t. They are willing to go after their vision until they hit it and expand it once they get it.”

Andrew Schrage – Blogger and Owner of MoneyCrashers.com

“An entrepreneur is an innovative, risk-taking individual who identifies a need in a market and finds a way to fill it, whether by using his or her own expertise and passion, the knowledge of others, or a combination of the three. More simply stated, an entrepreneur is someone who sees an opportunity and invests in it in order to turn a profit or provide a solution to some larger issue in the world.”

Caleb Wojcik – Blogger with ThinkTraffic.net and Pocketchanged.com

“An entrepreneur is a starter, not just a dreamer. Anybody can think up an idea for a business, but not everyone can put rubber to the road and actually grow something that both matters and earns money. Taking action is the difference between entrepreneurs and non-entrepreneurs.”

Jared Joyce - Inventor and Entrepreneur - Shark Tank Contestant

“A person who solves problems for people, at a profit.”

Carrie Smith - Owner of Carefulcents.com - Consultant and Blogger

“To me an entrepreneur is someone who looks at life a little differently. They don’t see the normal obstacles that life puts in our way and shy away like most of us do. They think the word “no” means “to find a different or better way”. They’re continually learning, growing and reaching higher!”

Pete Sveen – Think Entrepreneurship.com Founder – Blogger/Consultant – Owner of SignsoftheMountains.com E-Commerce Store

“Someone with the drive, persistence, and mindset to change the world by filling a need in the marketplace.”

Task: Reflect on the above definitions of entrepreneurship and an entrepreneur and come up with your own definitions that takes into consideration the various perspectives highlighted.

Why and how do people become entrepreneurs?

There is no one definitive profile. Successful entrepreneurs come in various ages, income levels, gender, and race. They differ in education and experience. But research indicates that most successful entrepreneurs share certain personal attributes and characteristics.

1.3 The Entrepreneurial Person

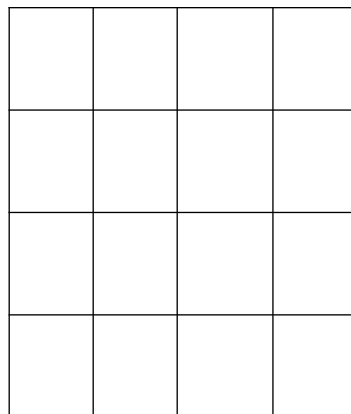
Entrepreneurs are a different set of people. They often see things that others fail to notice.

They endeavor to bring about change and foster growth. They believe in themselves.

Entrepreneurship propels them to strive and move forward, to get to where they want to be.

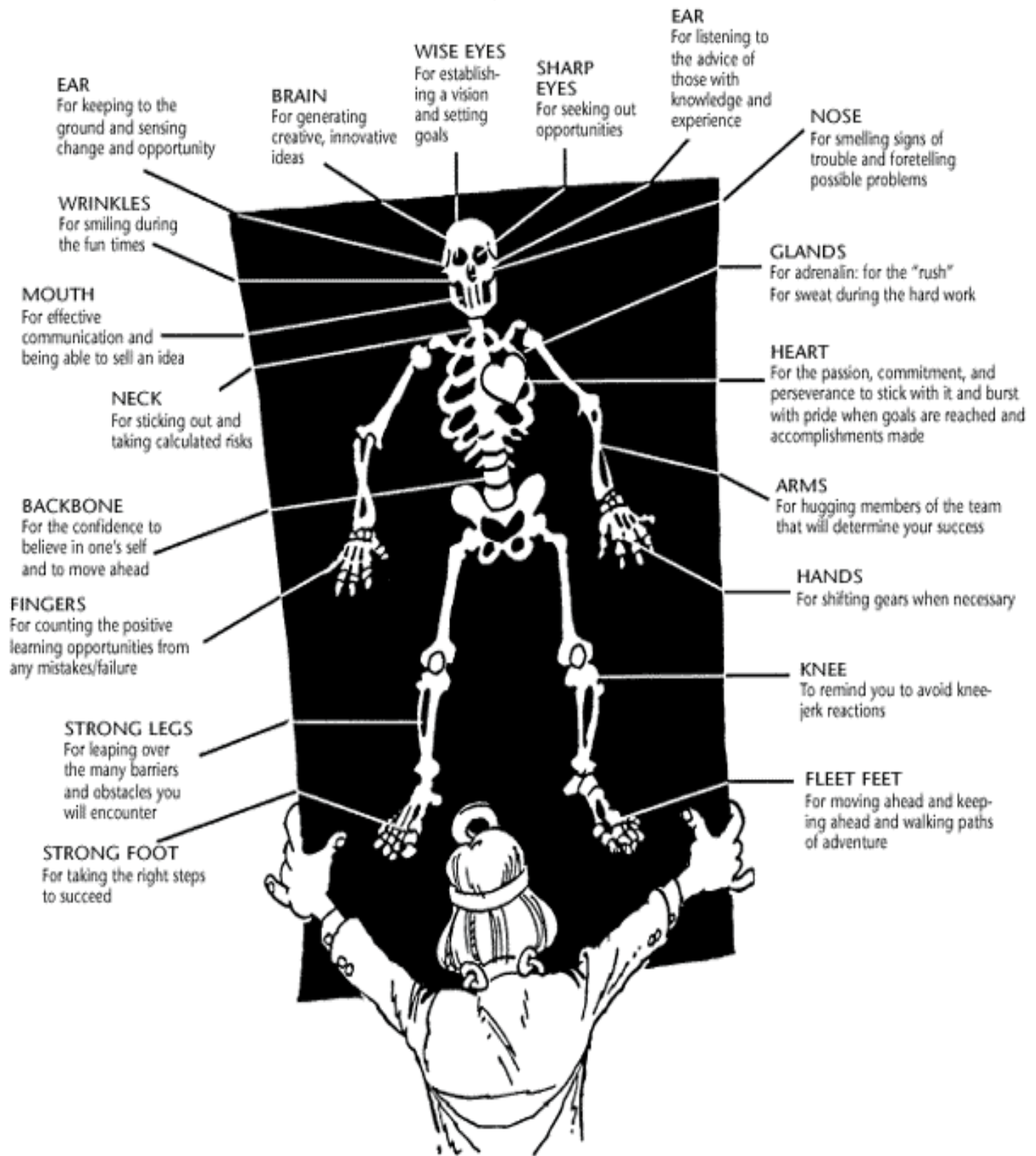
They seem to operate on a different beam or level from the rest of the people around them.

To them, $1+1$ is not $= 2$, but somehow, $1+1 = 5$ or more



Count the squares

ENTREPRENEURIAL PERSON



<http://www.mvp.cfee.org/en/abouttententperson.html>

1.4 Characteristics of a Successful Entrepreneur

Are you an entrepreneur? Would you like to be? There are certain character traits that most successful entrepreneurs demonstrate. A careful analysis of your own personality, with these traits in mind, will tell you if you have (or need to develop) what it takes to be a successful and happy entrepreneur.

1. *A burning passion or intense drive to succeed.*

A powerful drive to create success, wealth, legacy or fame is the primary motivator for most entrepreneurs. They are intensely passionate about what they do, almost to the point of fanaticism. Their goals are set high and when attained, are reset even higher. Money is not usually sought for its own sake, but as way of keeping score.

2. *The ability to adapt to changing circumstances.*

Rather than resisting or resenting change, entrepreneurs have the ability to easily adapt to changing circumstances and conditions. In fact, many entrepreneurs thrive on change. On the negative side, some are so thrilled by change that they will force it, even when things are going perfectly.

3. *The need for autonomy.*

Some people just need to be their own boss. While many employees see a job as providing security, entrepreneurs see a job as a form of economic slavery and prefer to have personal autonomy to economic security. The worst part about being your own boss is that the expectations for your job function are set higher than for everyone else. The

best part about being your own boss is that if you don't like your orders, you can change them anytime you please.

4. ***Decisiveness.***

The ability to make decisions, sometimes quickly, is a key component of the entrepreneurial personality. This willingness to make, and hold to, a decision is a necessary leadership skill. The awareness that there may be better decisions at any choice point does not result in the indecisiveness that other people often demonstrate.

5. ***A sense of personal destiny.***

Most entrepreneurs have more than just a strong desire to mold their personal destiny; they have a strong belief in their ability to create their own destiny by their own choices and actions. If they are among the few who believe in a set fate or predetermined destiny, they believe that they are fated or destined to be successful.

6. ***Energy.***

Entrepreneurs are energetic. They put in more work hours than most people. They also often play hard and competitively. You won't find many entrepreneurial couch potatoes. They are usually too busy working or playing to be spectators. This high personal energy level translates as constant enthusiasm and personal charisma. This enthusiasm and charisma attracts other people into the game plan of the entrepreneur.

7. ***Enterprising.***

Entrepreneurs are dealmakers. They make deals with themselves. (When I reach a certain goal, I will reward myself with...). They make deals in their personal relationships. (A movie date is as much a contract as a business deal.) And, of course, they love to make

business deals. They seem to be always negotiating something with somebody.

8. *A desire for personal growth.*

Entrepreneurs are learners and self-improvers. They are always on the lookout for ways to get the competitive edge, to become better at doing what they do, to develop new skill sets or understandings. They understand that what you have depends upon what you do and what you are able to do depends upon who you are. They work constantly to become more.

9. *A highly developed intuition.*

Most entrepreneurs rely more on gut feelings to make decisions than they do on conscious analysis of a situation. Even though they may be highly analytical and like to accumulate lots of data, their actual decisions are usually based on what feels right. A recent survey of top level executives and company owners reported that most high income decision makers gather as much information as possible and consult with their Master Mind team, but in the end, make decisions based on gut feelings or intuition.

10. *Opportunity seeking.*

Most people wait for the right opportunity to present itself. The true entrepreneur is always on the lookout for yet another new opportunity. It is often just a matter of perspective. There is the famous story (usually attributed to Joseph Bata) about the shoe company who sends an employee to a country in Africa to ascertain if there is a market for their shoes. The representative reports back, "There is no shoe market here. These people don't even wear shoes." The boss, on hearing this news, exclaims, "This is

wonderful. No one has any shoes yet. What a huge opportunity!”

11. ***Perseverance and determination.***

This is a big attribute. The obstacles that cause many people to quit are minor setbacks for the true entrepreneur. Winners persist. Losers desist. It is often that simple personality difference that separates the happy successful person from the frustrated failure. There is no better way to state the importance of persistence than to quote Calvin Coolidge, "Nothing in the world can take the place of persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent."

12. ***Problem solving.***

When others focus on existing problems, entrepreneurs focus on possible solutions. There is always a solution. There is always a problem. For most people, a problem is an impediment. For the entrepreneur, a problem is an opportunity to discover or create a better solution.

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15. *Risk tolerance.*

The entrepreneur has a high tolerance for risk. The average person is afraid of doing something in case they fail. The true entrepreneur knows that failing to attempt something is a greater failure than trying and not succeeding. In fact, they often don't even realize that they are taking a risk. What others may judge as a risky situation, entrepreneurs see as an opportunity for a higher reward.

16. *A strong sense of self-confidence.*

Many people will look at a successful person and see a big ego and think that this superstar has a big ego because he/she is successful. In fact, most successful people have a very high level of self-esteem before they achieve success. They know in their hearts that they deserve success. The lack of sufficient self-esteem and self-confidence is what inhibits many people in their quest for success. Entrepreneurs (and other winners) are confident in their ability to achieve their ideals.

You have the power to choose to develop (or strengthen) these attributes in yourself. Even if you do not want to be self-employed, they are still valuable attributes that will serve you well in creating a successful and fulfilling life.

http://www.lesliefieger.com/articles/entrepreneur_character.htm

- **Creativity** is the spark that drives the development of new products or services or ways to do business. It is the push for innovation and improvement. It is continuous learning, questioning, and thinking outside of prescribed formulas.
- **Dedication** is what motivates the entrepreneur to work hard, 12 hours a day or more, even seven days a week, especially in the beginning, to get the endeavor off the ground. Planning and ideas must be joined by hard work to succeed. Dedication makes it happen.
- **Determination** is the extremely strong desire to achieve success. It includes persistence and the ability to bounce back after rough times. It persuades the entrepreneur to make the 10th phone call, after nine have yielded nothing. For the true entrepreneur, money is not the motivation. Success is the motivator; money is the reward.
- **Flexibility** is the ability to move quickly in response to changing market needs. It is being true to a dream while also being mindful of market realities. A story is told about an entrepreneur who started a fancy shop selling only French pastries. But customers wanted to buy muffins as well. Rather than risking the loss of these customers, the entrepreneur modified her vision to accommodate these needs.
- **Leadership** is the ability to create rules and to set goals. It is the capacity to follow through to see that rules are followed and goals are accomplished.
- **Passion** is what gets entrepreneurs started and keeps them there. It gives entrepreneurs the ability to convince others to believe in their vision. It can't substitute for planning, but it will help them to stay focused and to get others to look at their plans.

- **Self-confidence** comes from thorough planning, which reduces uncertainty and the level of risk. It also comes from expertise. Self-confidence gives the entrepreneur the ability to listen without being easily swayed or intimidated.
- **“Smarts”** consists of common sense joined with knowledge or experience in a related business or endeavor. The former gives a person good instincts, the latter, expertise. Many people have smarts they don’t recognize. A person who successfully keeps a household on a budget has organizational and financial skills. Employment, education, and life experiences all contribute to smarts.

Every entrepreneur has these qualities in different degrees. But what if a person lacks one or more? Many skills can be learned. Or, someone can be hired who has strengths that the entrepreneur lacks. The most important strategy is to be aware of strengths and to build on them.

1.5 Entrepreneurship and Small Business Ownership

Difference Between Entrepreneurship and Small Business ownership

by Audra Bianca

The difference between small business owners and entrepreneurs lies in the scope of their work. One can perform both roles over a business' lifetime, but distinct skills will enhance the ability to fulfill each role. In a nutshell, an entrepreneur's role occurs in a shorter span of a business' lifetime and a small business owner's role occurs over a long time.

An entrepreneur is a risk taker, willing to take whatever steps are necessary to launch a new venture. He/she identifies a consumer need, finds a business idea to address it and implements a plan to offer the solution to the target market. The job also requires being able to allocate resources and set up operations, which is the only part that resembles some aspects of a small business manager's role.

A small business owner on the other hand runs a small business using a diverse skill set. He coordinates resources to ensure the enterprise meets customers' needs, including human resources, operating capital, supplies, technologies and facilities.

A serial entrepreneur specializes in starting companies and selling them once they have become profitable. He/she takes an idea, weighs the risks and rewards and makes decisions that lead to a profit-generating company. He/she will experience some failures, but will seek new opportunities to use his/her entrepreneurial skills, such as creating jobs for himself/herself in other organizations.

Objectives & Views	Small Business Owner	Entrepreneur
1. Primary Motivation	To Make a Living	To Make a Change and Impact
2. Personal Financial Goal	Regular Income	Exit Value of Company
3. Career Objective	Self-Employment	Financial Freedom
4. Financing Strategy	SBA or Bank Loans	Investors
5. Business Strategy	Creating More Sales	Providing Value
6. View of Assets	Real Estate and Inventory	Employees & Customers
7. Risk Taking Profile	Stability	Willing To Fail
8. Employee Compensation	Market Rate or Below	Will Pay for Top Talent
9. Work Environment	Extension of Owner's Home	Fast Paced and Growth Focused
10. Investment Profile	Main Investor/Owner of Company	Investor/Involvement in Different Businesses
11. Daily Actions	Day to Day Manager	Strategy, Growth and Collaboration
12. Work Style	Long-Term and Enjoys Repetitive Tasks	Short-Term and a Serial Innovator/Inventor

1.6 Entrepreneurship and Self-Employment

What is Self-employment?

Being self-employed basically means that you work for yourself instead of for a company

- It is a situation in which an individual works for himself or herself instead of working for an employer that pays a salary or a wage. A self-employed individual earns their income through conducting profitable operations from a trade or business that they operate directly.
- It is important to note that being self-employed is a different situation than simply being a business owner. A business owner is someone who owns a company but does not work with the day-to-day operation of the company. In contrast, a person who is self-employed owns their own business, of which they are also the primary or sole operator. Furthermore, there are often different taxation-related implications for being self-employed versus being a normal employee or a business owner.

Examples of self-employed people

- Professionals working as independent contractors (freelance) e.g. doctors, lawyers, engineers etc.
- Business owners
- Salespeople who work on commission
- Farmers and fishers

Benefits of Self Employment

An increasing number of people are choosing to become self-employed for several reasons - they know their jobs are not secure or they are simply fed up working for someone else and never seeing the rewards themselves. But is self-employment for everybody? Can it suit all careers and personalities? These are questions you will have to consider and decide in relation to your specific situation. However there are many, many advantages to becoming self-employed - so

many that even governments across the globe are starting to value self-employment as a viable work option. So what are the advantages?

People exposed to entrepreneurship frequently express that they have more opportunity to exercise creative freedoms, higher self-esteem, and an overall greater sense of control over their own lives. As a result, many experienced business people political leaders, economists, and educators believe that fostering a robust entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale. It is with this in mind that the government of Kenya has placed a lot of importance about youth entrepreneurship projects, supported by policy documents, the establishment of Youth and Women Enterprise Funds. Introduction of Entrepreneurship education in colleges and universities is meant to prepare youth and adults to succeed in an entrepreneurial economy.

Other benefits include:

Be Your Own Boss: Possibly one of the most exciting and biggest advantages to becoming self-employed. You never have to listen to, be ordered around ever again. Now it is your turn to stand in the spotlight! You are now the one in control, in charge - the ultimate decision maker. But just remember becoming your own boss also brings its own huge responsibilities and challenges!

Do What YOU Want: Becoming self-employed allows you to do something that is not common in the workplace - work on what you want, like, enjoy or even love! All too often we are stuck in jobs and careers where we are not happy, dissatisfied or bored, but unfortunately we have no choice but to stay there. Self-Employment allows you to be as creative and imaginative as you like. You choose what to do and in which direction to drive your business and clients.

Working from Home: Being self-employed means you can work from the comfort of your own home and you can set up your working space how and where you like it.

Self-Satisfaction: There is nothing like feeling that you have completed a task successfully. Now you get to receive the whole self-satisfaction, no-one can come along and claim your successes as their own. You are now in charge of setting goals and targets, deciding how and when they will be met and judging performance. Setting out on your own can be highly challenging, but imagine the feel good factor you achieve when you can attribute all your successes to one simple thing - your own hard work!

You Reap the Rewards Personally: Working for a big company means that although you can be the best employee, the hardest worker, the most experienced they have, you rarely are rewarded with a cash bonus or incentive. One of the key components to being self-employed is that all the profits belong to you!

Earn Money for Yourself: Unfortunately the fact is that we spend most of our lives at work, trying everything to earn extra cash, get a pay rise, improve ourselves personally, socially and professionally. Many of us strive to be the best to stand out from the crowd but what for? They say that 'hard work pays off'. Working hard and focusing your life on your career can pay off and more importantly will solely benefit you not the hundreds and thousands of others also working towards the same goal!

Create Your Own Success: The opportunity to succeed is now in your hands. Becoming self-employed involves a huge risk - you are now solely responsible for creating your own destiny and more importantly success. You will have no-one to blame and no-one to make excuses to or for. So work hard, plan and weigh up decisions before making them because ultimately they will affect you and your potential to succeed.

People dream of working for themselves for good reason. There are a lot of perks associated with being self-employed, whether it's through a freelance career or starting a business. Here are some of the benefits of self-employment:

Challenges of Self-employment

1. All the investments are yours as an entrepreneur and so are the risks if the business fails.

2. If you did not join any group of self-employed people, you might feel lonely not knowing which way to go.
3. You will do all the advertising, learning and creating new relationships all on you own.
4. As self-employed professional, you will have to keep track of your time.
5. At the initial stage of your business career, you might have to work more hours which can have negative impact on your family life and personal health.
6. You will be responsible for your personal insurance, business insurance and your personal income tax, paid to the government.

What leads a person to strike out on his own and start a business? Perhaps a person has been laid off once or more. Sometimes a person is frustrated with his or her current job and doesn't see any better career prospects on the horizon. Sometimes a person realizes that his or her job is in jeopardy. A firm may be contemplating cutbacks that could end a job or limit career or salary prospects. Perhaps a person already has been passed over for promotion. Perhaps a person sees no opportunities in existing businesses for someone with his or her interests and skills.

Some people are actually repulsed by the idea of working for someone else. They object to a system where reward is often based on seniority rather than accomplishment, or where they have to conform to a corporate culture.

Other people decide to become entrepreneurs because they are disillusioned by the bureaucracy or politics involved in getting ahead in an established business or profession. Some are tired of trying to promote a product, service, or way of doing business that is outside the mainstream operations of a large company.

In contrast, some people are attracted to entrepreneurship by the advantages of starting a business. These include:

Entrepreneurs are their own bosses. They make the decisions. They choose whom to do business with and what work they will do. They decide what hours to work, as well as what to pay and whether to take vacations.

Entrepreneurship offers a greater possibility of achieving significant financial rewards than working for someone else.

It provides the ability to be involved in the total operation of the business, from concept to design and creation, from sales to business operations and customer response.

It offers the prestige of being the person in charge.

It gives an individual the opportunity to build equity, which can be kept, sold, or passed on to the next generation.

Entrepreneurship creates an opportunity for a person to make a contribution. Most new entrepreneurs help the local economy. A few—through their innovations—contribute to society as a whole. One example is entrepreneur Steve Jobs, who co-founded Apple in 1976, and the subsequent revolution in desktop computers.

Some people evaluate the possibilities for jobs and careers where they live and make a conscious decision to pursue entrepreneurship.

No one reason is more valid than another; none guarantee success. However, a strong desire to start a business, combined with a good idea, careful planning, and hard work, can lead to a very engaging and profitable endeavor.

1.7 Requirements for Entry into Self-Employment

While there are no specific traits common among all entrepreneurs, the University of Illinois Center for Economic and Financial Education believes there are certain characteristics that most successful entrepreneurs possess, including:

Ability to Plan: Entrepreneurs must be able to develop business plans to meet goals in a variety of areas, including finance, marketing, production, sales and personnel.

Communication Skills: Entrepreneurs should be able to explain, discuss, sell and market their goods or service.

Marketing Skills: Good marketing skills, which result in people wanting to buy goods or services, are critical to entrepreneurial success.

Interpersonal Skills: The ability to establish and maintain positive relationships with customers and clients, employees, financial lenders, investors, lawyers and accountants, among others, is crucial to the success of the entrepreneur's business venture.

Basic Management Skills: Even if entrepreneurs hire others to deal with the day-to-day tasks of the business, entrepreneurs need to know whether their company has the correct resources.