

# **IT SUPPORT SERVICE**

## **NTQF Level I**

# **Learning Guide #40**

<b>UNIT OF COMPETENCE:</b>	<b>Develop Understanding Of Entrepreneurship</b>
<b>MODE TITLE:</b>	<b>DEVELOPING UNDERSTANDING OF ENTREPRENEURSHIP</b>
<b>LG Code:</b>	<b>ICT ITS1 M11 L01- 35</b>
<b>TTLM CODE:</b>	<b>ICT ITS1 TTLM 1018 V2</b>
<b>LO 1:</b>	<b>DESCRIBE AND EXPLAIN THE PRINCIPLES, CONCEPT AND SCOPE OF ENTRE-PRENEURSHIP</b>

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics –

- Definition of enterprising and Use of enterprising
- Definition of entrepreneurs and Role of entrepreneurs

Upon completion of this Learning Guide, you will be able to –

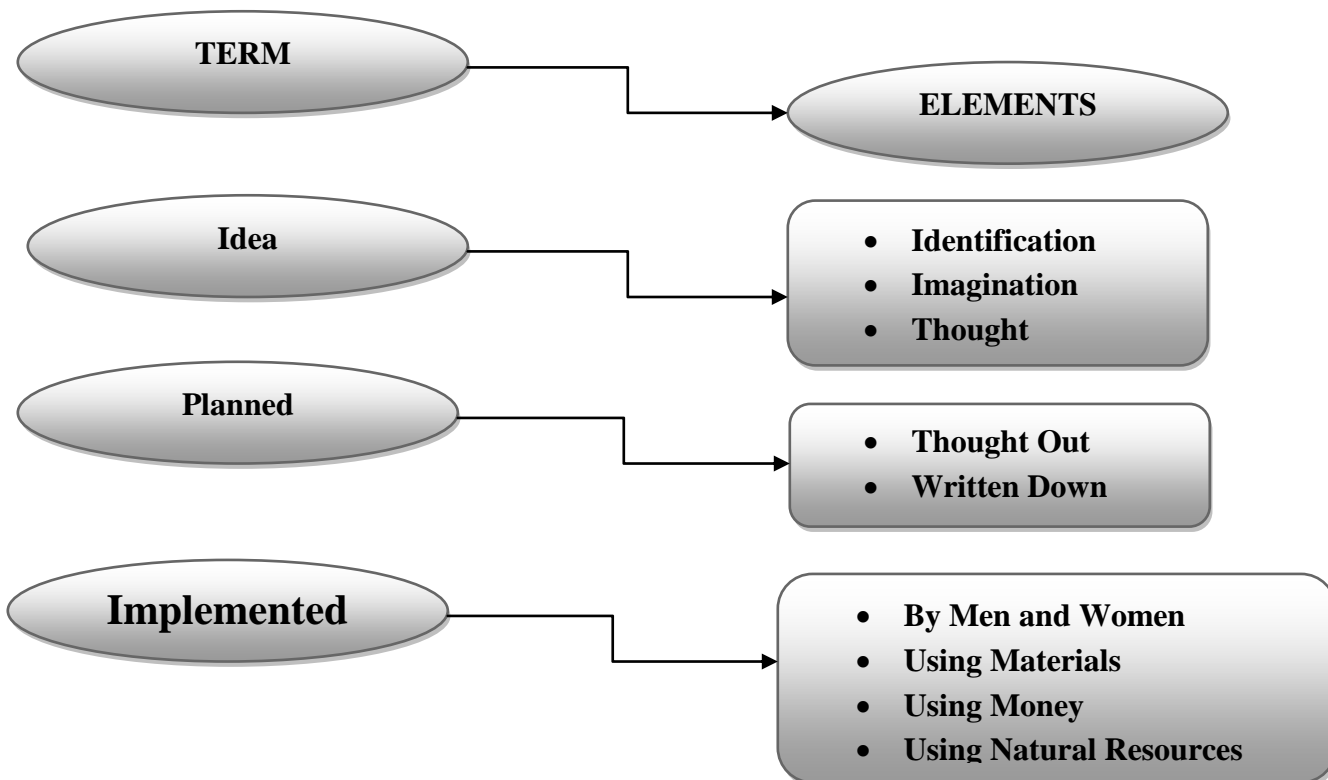
- Analyze and discuss the principles, concept and terminology of entrepreneurship
- Identify the different / various forms of enterprises in the community and their roles
- Categorize and classify the identified enterprises
- Identify and interpret the terms and elements involved in the concept of enterprising
- Explain functions of entrepreneurship in business and how the entrepreneurs improved business and economic environment

### **Learning Activities**

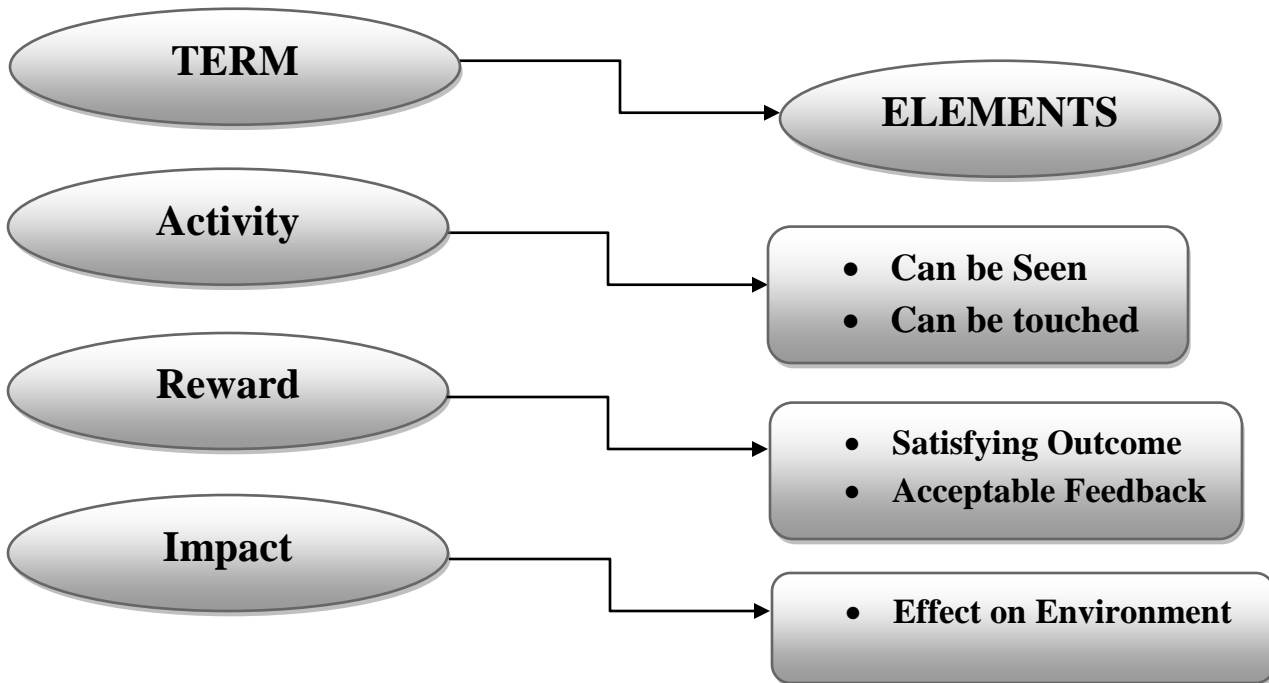
1. Read the specific objectives of this Learning Guide.
  2. Read the information written in the “Information Sheets 1” in pages 7-8.
  3. Accomplish the “Self-check” in page 6.
  4. If you earned a satisfactory evaluation proceed to “Operation Sheet 2” in pages 8-9. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity # 36.
  5. Read the “Operation Sheet 1” and try to understand the procedures discussed.
  6. If you satisfactorily performed Operation Sheet 1, proceed to “Operation Sheet 2” in pages 10-12. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Operation Sheet 1.
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- Your teacher will evaluate your output either satisfactory or unsatisfactory. If unsatisfactory, your teacher shall advice you on additional work. But if satisfactory you can proceed to the next topic.

**Meaning of Enterprising**

- ▶ On a personal level/in its wider sense, enterprising can be any identified idea that a person can translate into a planned and satisfactorily implemented activity.
- ▶ In the business sense/in its narrower sense, enterprising refers to a business venturing or undertaking.
- ▶ An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form.
- ▶ Practically all undertakings can be referred to as enterprising it fulfills the followings. i.e.
  - Idea identification,
  - Planning,
  - Implementation,
  - Successful completion of an activity and
  - Receiving the rewards.

**Therefore Enterprising involves**

Therefore Enterprising Involves



- ▶ By understanding the enterprising concept, all people have the potential to be enterprising.
- ▶ Some people are enterprising when they own a business.
- ▶ Enterprising societies are able to deal positively with the challenges and problems they face in their daily lives.
- ▶ Being enterprising can bring benefits to you and also help you to become a valued member of your society.
- ▶ Enterprising approach can be applied to different circumstances.
- ▶ This kind of approach will enable you to appreciate the challenges of life because you will be able to translate challenges into positive results.
- ▶ E: Energy
- ▶ N: Need to achieve
- ▶ T: Task oriented
- ▶ E: Empathy
- ▶ R: Resourcefulness
  
- ▶ P: Planning

- ▶ R: Risk-taking
- ▶ I: Innovation
- ▶ S: Skills
- ▶ I: Independence
- ▶ N: Networking
- ▶ G: Goal oriented

➤ **Characteristics of an Enterprising Society**

- Useful goods and services constantly produced/provided
- Wide distribution of needed goods and services throughout the population
- New ideas continuously infused for revitalization and growth of the economy
- Continuous discovery of unidentified needs of society
- Constant solving of problems experienced in society
- Avoids stagnation through giving individuals a chance to be innovative and creative
- The present and future availability of natural resources and conservation of nature are guaranteed

*Instruction: Answer all the questions listed below, if you have some clarifications- feel free to ask your teacher.*

**Multiple Choices**

1. Any identified idea that a person can translate into a planned and satisfactorily implemented activity:
  - a. Enterprising
  - b. Entrepreneur
  - c. Business Organization
  - d. Retail Shops
2. Any undertakings can be referred to as enterprising if it fulfills the followings:
  - a. Idea identification,
  - b. Planning,
  - c. Implementation,
  - d. All
3. Enterprising societies:
  - a. Don't care for any problems
  - b. Don't face any challenge
  - c. Are able to deal positively with the challenges and problems they face
  - d. When they face a problem they sell their enterprise
4. Being enterprising can bring benefit to you in one of the following ways:
  - a. You will be hired in government institutions
  - b. You will become a valued member of your society
  - c. You will be a richest man in a few days
  - d. All
5. In an enterprising society:
  - a. Useful goods and services constantly produced/provided
  - b. Wide distribution of needed goods and services throughout the population
  - c. Continuous discovery of unidentified needs of society
  - d. All are possible

*Please ask your trainer for the answer for this Self-Check.*

**What is Entrepreneurship?**

- ▶ Entrepreneurship refers to an individual's ability to turn ideas into action. It enables people to think creatively and to be an effective problem solver (European Commission).
- ▶ Entrepreneurship is an *organizational and management approach* that enables persons to respond to change and solve problems in whatever situation (either business or non-business) they may find themselves (KAB Module).
- ▶ Entrepreneurship is the act of being an entrepreneur, who starts any economic activity for being self-employed.
- ▶ Entrepreneurship is strategic thinking and risk-taking behavior that results in the creation of new opportunities for individuals and/or organizations (Schermerhorn).
- ▶ Entrepreneurship is the process of creating something different, with value, by devoting necessary time and effort, by assuming the accompanying financial, psychological, and social risks, and receiving the resulting *rewards of monetary and personal satisfaction* (Bowen and Hisrich).
- ▶ Entrepreneurship is the pursuit of opportunity through creativity, innovation and hard work without regard for the resources currently controlled.
- ▶ There are five elements of entrepreneurship:
  1. Observing the environment/identifying gaps,
  2. Identifying opportunities,
  3. Gathering the necessary resources,
  4. Implementing the activity and
  5. Receiving rewards for engaging in the activity.

**Entrepreneurial Functions in Business**

- Identify gaps in the market and turn these gaps into business opportunities.
- Finance and mobilizes resources for the business
- Organize and manage the business.
- Bear the uncertainties and risks of the business.
- Encourage competition
- Self-employed and applying entrepreneurship

## Economic Principles of Entrepreneurship

- ✓ Works best in an *open market economy*
- ✓ Promotes private enterprise
- ✓ Adds value to products and services (creates wealth)
- ✓ Providing needed products/service
- ✓ Developing new markets

## Rewards for Being an Entrepreneur

- ❖ Self-actualization/personal fulfillment
- ❖ Feeling of freedom and independence
- ❖ Providing jobs and benefits to others (investors, suppliers, bankers, subcontractors, work force, and customers)
- ❖ Economic goods (product/service, incomes for workers, profits for shareholders/partners)

## Personal efforts to be an Entrepreneur

- Works long hours
- Always concerned about the business
- Needs high energy
- Sacrifices other important aspects of life
- Limited social life
- Not much time with family and friends
- Financial investment



<b>Self-Check 2</b>	<b>Written Test</b>
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*Instruction:* Answer all the questions listed below, if you have some clarifications- feel free to ask your teacher.

**Multiple Choices**

1. Entrepreneurship refers to:
  - a. The individual's ability to be hired in any organization
  - b. An individual's ability to turn ideas into action.
  - c. That the individual has been graduated in entrepreneurship education
  - d. That the individual is a merchant.
- 2.