

INDIAN SCHOOL AL WADI AL KABIR

CLASS IX

PART A

UNIT 4.

ENTREPRENEURIAL SKILLS

Introduction

- Business is an economic activity which is related with continuous and regular production and distribution of goods and services for satisfying human wants.
- Businesses can be for-profit entities or nonprofit organizations.
- Businesses cater to the needs of the society. But sometimes we find that there is a gap between what is needed and is available. This gap can be used as an opportunity by some people who are ready to take risk and fill the gap by providing necessary products and services. Such people are entrepreneurs.

What is Entrepreneurship:

- The process of developing a business plan, launching and running a business using innovation to meet customer needs and to make a profit is entrepreneurship.
- **Enterprise**
- An enterprise is a project or undertaking that is bold and fulfills a need of the society which no one has ever addressed.
- **Entrepreneur:** *Recognize opportunity*
- *Create Idea and start of a business*
- *Grow the business*
- An entrepreneur is a person who is self-employed, is willing to take a calculated risk and brings in a new idea to start a business. It is, however, important to understand that all self-employed persons are not entrepreneurs, for example, a shopkeeper cannot be called an entrepreneur unless he/she introduces a new method or idea in the business.

Role of Entrepreneurship

- Economic Development — Money in Circulation
- Social Development — Creation of Jobs
- Improved Standard of Living — More things available to live a comfortable life
- Optimal Use of Resources
- More Benefits at Lower Prices Products and Services at Competitive Prices

Benefits of entrepreneurship: The various benefits include the following:

- **Do what you are interested in:** Entrepreneurship allows you to start and do something you like using your hobbies and skills.
- **Work for yourself, and not for others:** As an entrepreneur, you can work for yourself and not for someone else. You can decide the kind of work you like to do and how you want to do it.
- **Make profits for yourself:** As an entrepreneur, you can decide how much money you want to earn and how you want to earn it.
- **More risk, more profit:** Even though there are risks in entrepreneurship, it allows you to decide how much risk you want to take. Usually, the larger the risk, the bigger could be the profit!

Qualities of a Successful Entrepreneur:

1. Have Patience
2. Positive attitude
3. Hardworking
4. Should be confident

Types of Business Activities:

- 1. Product business :** A business where a seller and buyer exchange an item, which can be seen and touched, is called a product based business. For example, a Sports Shop.
- 2. Service business :** A business where a seller helps the buyer to finish some work. For example, a cricket coaching center.
- 3. Hybrid business:** A hybrid is the one where the business is doing both selling product and selling services. eg: restaurants where the food itself is the product sold and the catering is the service provided.

	Product Business	Service Business
1. Seen and touched	Product can be seen and touched. Customer pays for physical exchange of things.	Service cannot be seen or touched. Customer here pays for an experience.
2. Stored	A product can be made and stored in a shop or a warehouse (usually).	A service, for example, cutting hair, cannot be stored. Service is provided when a customer asks for it.
3. Made and transported	A product can be either made at home or in a factory. It can then be transported to different places where shopkeepers sell it.	A service cannot be made or transported. It is given to the customer at the time of delivery.
4. Same quantity and quality	The quality and quantity of the product will be the same every time.	The quality and quantity of a service can be different at different times.

- There are two types of product-based businesses
 1. **Manufacturing businesses** :These are the businesses that make a product and sell it. Products are usually made in factories.
 2. **Trade businesses**: These businesses buy and sell a product. They also transport the product from the factory to warehouses and then finally to shops near the customers. Examples of these business include wholesalers, distributors and retail shops.

Distinguishing Characteristics of Entrepreneurship and Wage Employment

1. Ability to take up risks
2. Believe in hard work and discipline
3. Adaptable and flexible to achieve the goals of enhancing quality and customer satisfaction
4. Knowledge of the product and services and their need or demand in the market
5. Financial literacy and money management skills
6. Effective planning and execution.

Wage Employment

- In case of wage employment, there are always two parties. One is known as the employer and the other is the employee.
- The wage employment does not involve too much risk but entrepreneurship involves taking certain amount of calculated risks.
- However, the continuity of the service in case of wage employment depends on the terms and conditions laid down in the contract between the two parties and also sometimes the relationship between the employer and the employee.

**A Cook in a
Restaurant**

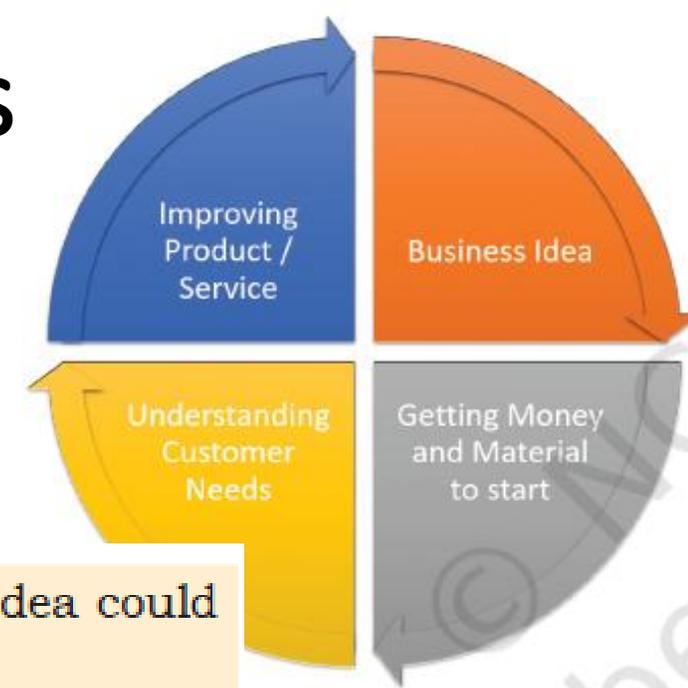


Street Food Vendor



Entrepreneurship Development Process

- Entrepreneurship development is the process of improving the skills and knowledge of entrepreneurs. It can take place through formal and informal learning system. In the formal learning system, training programmes are conducted to bring about awareness, knowledge and skills related to entrepreneurship.



Idea	The first step is to come up with a business idea. A business idea could be based on (a) Something you are interested in doing (For example, making Dosa) (b) A need you see in the market (For example, Tasty food next to the station)
Getting money and material	Once you have the idea, you can start on a small scale with some money which will help you in buying basic material.
Understanding customer needs	Once you start selling, you will find out what your customer likes and wants. You will also find out what your customer does not like during this stage.
Improving Product/ service	You can use this knowledge of what your customer likes and does not like to improve your product. (For example, Prem's customers liked variety)