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## 2.2

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### Managing Resources

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Skills and characteristic of an entrepreneur

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### Learning Outcome Notes

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LO 2.2 - Describe the skills and characteristics of being enterprising and appreciate the role of an entrepreneur in an organisation, in society and to the economy.

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### Chapter Questions

By the end of this learning outcome you should be able to do the following

1. Describe the skills of an entrepreneur.
2. Describe the characteristic of an entrepreneur.
3. Outline the reason why people start a business.
4. Describe the rewards and challenges of starting a business.
5. Explain the role of an entrepreneur in the organisation.
6. Explain the role of an entrepreneur in society.
7. Explain the role of an entrepreneur to the economy.

**Enterprise** <sup>Def</sup> This is any attempt to start or do something new. It is the ability of someone who has the initiative to set up, invest and run a business. They take both a financial and personal risk in doing this.

**Entrepreneurs** <sup>Def</sup> These are the people who take the initiative and risk to set up a business to make a profit.

**Initiative** <sup>Def</sup> This is the get up a go a person has to set up a business.

### CHARACTERISTIC OF ENTREPRENEURS

**Characteristic** <sup>Def</sup> This is a personality trait that a person is born with. It is a distinguishing feature, quality, or trait that defines or identifies a person, such as personality traits, behaviours, or skills.

For example, some common characteristics of successful entrepreneurs might include determination, creativity, and risk-taking.

The following are some characteristics that an entrepreneur might have -

#### 1. Realistic risk-takers

Entrepreneurs must be willing to take risks in order to start and grow a business, but they must also be able to assess risks realistically and make informed decisions. This means understanding the potential consequences of a decision and having a plan in place to manage those risks.

### 2. Innovative

Entrepreneurs must be able to come up with new and innovative ideas for products, services, and business models. This requires a willingness to think outside the box and to challenge conventional wisdom.

### 3. Creative

Entrepreneurs must be able to think creatively and find new and innovative ways to solve problems and meet customer needs. This includes having a deep understanding of customer behaviour and market trends, as well as the ability to design and develop new products and services.

### 4. Proactive

Entrepreneurs must be proactive and take initiative to pursue new opportunities and grow their business. This means having a strong work ethic, being organized and disciplined, and taking ownership of the success of the business.

### 5. Flexible

Entrepreneurs must be able to adapt to changing circumstances and market conditions. This requires a willingness to pivot when necessary and to be open to new ideas and feedback.

### 6. Self-Confident

Entrepreneurs must have a strong sense of self-confidence in order to take risks, make decisions, and lead their team. This means having a clear vision for the business and the ability to communicate that vision effectively to others.

### 7. Decisive

Entrepreneurs must be able to make decisions quickly and effectively, often with limited information or time. This requires a willingness to take calculated risks and to make tough decisions when necessary.

### 8. Determined

Entrepreneurs must be determined and persistent in the face of obstacles and setbacks. This means having a strong work ethic, a positive attitude, and the ability to stay motivated and focused on the goals of the business.

### 9. Resilient

Entrepreneurs must be resilient and able to bounce back from failures and setbacks. This requires a willingness to learn from mistakes, adapt to changing circumstances, and maintain a positive outlook.

## SKILLS OF ENTREPRENEURS

**Skills** <sup>Def</sup> A skill is a learned ability or expertise to perform a task or activity effectively and efficiently. It is the practical application of knowledge and experience, and it can be developed through training, practice, and experience.

Skills can be specific to a particular task or job, or they can be more general and transferable to different contexts.

For Example - communication skills, leadership skills, problem-solving skills, technical skills, and creative skills. Skills are important in many areas of life, including education, work, and personal development, as they allow individuals to perform tasks effectively and efficiently, and to adapt to new situations and challenges.

The Following are some skills that the entrepreneur will have -

#### 1. Ability to identify opportunities.

Entrepreneurs must have the ability to identify and evaluate opportunities for starting and growing a business. This requires a keen understanding of the market, including customer needs and competitor offerings, as well as an ability to identify emerging trends and changes in consumer behaviour.

2. The ability to make decisions.

Entrepreneurs must be able to make decisions quickly and effectively, often with limited information or time. This includes weighing the pros and cons of different options, assessing risks, and considering the potential impact on the business.

3. The ability to plan and set goals.

Entrepreneurs must have strong planning and goal-setting skills to ensure the success of their business. This includes developing a business plan, setting short-term and long-term goals, and creating strategies to achieve those goals.

4. The ability to manage time.

Entrepreneurs must be able to manage their time effectively, juggling multiple tasks and priorities. This includes prioritizing tasks, delegating responsibilities, and ensuring that deadlines are met.

5. The ability to manage stress.

Entrepreneurship can be a stressful and demanding pursuit, so entrepreneurs must be able to manage stress effectively. This includes developing coping mechanisms, seeking support when needed, and maintaining a healthy work-life balance.

6. Good human relations skills.

Entrepreneurs must be able to build and maintain relationships with a variety of stakeholders, including customers, employees, suppliers, and investors. This requires strong interpersonal skills, such as communication, empathy, and conflict resolution, as well as an ability to build trust and rapport. Good human relations skills are important for building a strong brand, establishing a positive reputation, and securing support for the business.

### REASON FOR STARTING YOUR OWN BUSIENSS

The following are some of the reasons why people set up their own business and take a personal and financial risk

1. The spot a gap in the market for a product or service.
2. The challenge.

1. They have an interest or hobbies (Personal fulfilment)

Some people choose to start their own business because they want to pursue a passion or a personal interest. Starting a business allows them to create something that aligns with their values and interests, and to have more control over their work and lifestyle.

2. They want to keep all the profits (Financial independence)

Starting a successful business can be a way to achieve financial independence and build wealth. By owning a business, individuals can generate income through sales and get to keep all the profits instead of receiving a wage.

3. They want to be their own boss (Flexibility)

Running a business can offer more flexibility and control over one's schedule and work-life balance. This is particularly appealing to people who want to have more control over their time and who may want to prioritise family or make all the business decisions.

4. They may be unemployed (Career advancement)

Starting a business can be a way to advance one's career and gain new skills and experience. It can also provide opportunities to work with new people and in new industries. They person may also be unemployed so will use their skills to start a business.

5. Spot a gap in the markets (Making a difference)

Some people choose to start a business because they spot that a product / service is not available so they set one up. They also want to make a positive impact on their community or the world. Social entrepreneurs, for example, start businesses with the goal of addressing social or environmental issues.

Rewards of Self Employment	Risk of Self Employment
1. You are your own boss - Autonomy and control over work	1. Financial risk - Financial uncertainty and instability
2. You make all the decisions - Ability to create a unique and fulfilling career	2. Work long hours to start the business - Higher stress and workload, with limited support or resources

3. You choose your own hours - Flexibility in work schedule and location	3. Might find it hard to take holidays - Potential isolation and lack of social interaction
4. You keep all the profits - Potential for higher income and financial rewards	4. Income is not guaranteed - Lack of benefits and job security
5. Sense of satisfaction - Ability to create a unique and fulfilling career	5. May not have the skills to run a business - Responsibility for all aspects of the business, including administration, marketing, and finance

### ENTREPRENEUR ROLE IN ORGANISATION

Some of the roles of an entrepreneur in an organisation include the following -

1. To provide the employees with direction and instruction in what they should do as part of their work. They are the driving force behind the creation and growth of businesses.
2. To provide the employees with a contract of employment.
3. To provide a safe place to work
4. They are responsible for identifying opportunities, developing new products and services, and innovating to stay competitive in the marketplace.
5. Entrepreneurs also play a key role in managing resources, including people, finances, and technology, to achieve their business goals.

### ENTREPRENEUR ROLE IN SOCIETY

Some of the roles of an entrepreneur in society include the following -

1. Entrepreneurs create jobs and generate economic activity, which helps to improve the standard of living for individuals and communities.
2. To produce products and services to meet consumer needs.
3. To produce safe products and not damage the local environment.
4. They also contribute to society by supporting charitable causes and community initiatives.

**ENTREPRENEUR ROLE TO THE ECONOMY**

Some of the roles of an entrepreneur in society include the following -

1. To pay their tax bill on time. This means the Government can provide essential services for the country.
2. They create new markets and opportunities, drive productivity and efficiency, and spur competition and innovation.
3. Entrepreneurs also help to diversify the economy, reducing dependence on a single industry or sector, and promoting economic stability and resilience.

Overall, the role of the entrepreneur is multifaceted and complex, and their contributions are essential to the success of organizations, society, and the economy as a whole. Through their creativity, innovation, and hard work, entrepreneurs help to drive progress and create a better future for everyone.



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## 2.2

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## Past Exam Questions and Answers

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### **NOTE - Very Important**

It is very important when answering exams question that you use the following steps -

1. That you know the information for the learning outcome
2. That you understand the information form the learning outcome
3. That you can apply the information form the learning outcome to the question
4. Be able to give at least two full sentences for your answer (Fill up the space)

Questions are changing from rote learning to applying the knowledge to the question

**QUESTIONS****2019 - Question 10 (i)**

Enterprise is essential to the Irish economy. Identify one skill of an entrepreneur.


**2019 - Sample Paper - Question 17 - Part a**

In 2014 Karina Niland saw an advertisement for the sale of a small hotel in west cork. She carried out some research and discovered that tourist numbers have increased significantly due to the Wild Atlantic Way.

She decided to purchase the hotel. She refurbished the hotel, employed staff and opened in 2016 with the name Ocean Waves Hotel

(a) state two skills Karina needs as an entrepreneur

1.
2.

**SUGGESTED SOLUTIONS****2019 - Question 10 (i)**

Enterprise is essential to the Irish economy. Identify one skill of an entrepreneur.

**The ability to make decisions** - Entrepreneurs must be able to make decisions quickly and effectively, often with limited information or time. This includes weighing the pros and cons

**2019 - Sample Paper - Question 17 - Part a**

In 2014 Karina Niland saw an advertisement for the sale of a small hotel in west cork. She carried out some research and discovered that tourist numbers have increased significantly due to the Wild Atlantic Way.

She decided to purchase the hotel. She refurbished the hotel, employed staff and opened in 2016 with the name Ocean Waves Hotel

(a) State two skills Karina needs as an entrepreneur

- 1. Ability to identify opportunities** - They must have an understanding of the market, including customer needs and competitor offerings, as well as changes in consumer behaviour.
- 2. The ability to manage time** - They must be able to manage their time effectively, juggling multiple tasks and priorities. This includes delegating and ensuring that deadlines are met.