

CAREER INFORMATION ON ENTREPRENEURSHIP

The concept of entrepreneurship

Entrepreneur is a person who comes up with a business idea, and mobilizes resources to bring the idea to a reality.

Entrepreneurship is the process of scanning the environment, identifying a business opportunity/idea, mobilizing the necessary and available resources, undertaking risks and economic uncertainty in order to initiate an enterprise to satisfy a need and to make profit.

Starting a business is aimed at improving peoples' lives.

Role of Entrepreneurship

1. Improve the capital income by starting small businesses:

As a trainee, you are now advised on how to improve your living standards by venturing to entrepreneurship and also embracing the technology advancement in assisting you in venturing into Digital innovations investments.

As a trainee, you are encouraged to explore online opportunities because it is cost effective. You are advised to:

- Write online projects and proposal activities and earn e- money
- Invest on Web Wallet
- On how to invest in USD Digital online businesses such as forex trading.
- Ajira digital programmes

2. Entrepreneurship can also improve trainees' living standards by using the available resources offered through grants and soft loans e.g. from Kenya Youth Employment Opportunities Programme (KYEOP), Ajira Kenya, Safaricom MSHWARI, youth enterprise fund

As a Regular and special needs trainee, you can minimise your expenditures and spend small capital from HELB to establish a business that can sustain your life.

For example as a trainee you can do proposals to company's like Kiwi and establish shoe polish stands within or outside our institution. You can also do proposals and acquire Nescafe coffee dispenser from Nescafe Company.

3. Entrepreneurship also helps gain economic independence

Entrepreneurship creates job opportunities. For example those with catering competencies can open small hotels/restaurant or even do outside catering. Starting of small businesses, will result to employing administrative and hospitality staff.

Areas of Innovation can be in;

- New product

- New Services
- New Production Techniques
- New Way of Delivering the Product or Service to the Customer
- New Operating Practices
- New Means of Informing the Customer about the Product
- New Means of Managing Relationship within the Organization
- New Ways of Managing Relationships between Organizations

Business Innovation

Business innovation refers to the process of introducing new ideas, workflows, methodologies, services or products.

It is important to note that business innovation may result in new products or services, new or improved business processes, changes in the way your products are marketed or the introduction of new technology.

We can therefore say that product or service, Process, Marketing and business model are the four types of business innovation.

As a trainee you need the understanding that innovation can make a business to grow by improving productivity and efficiency.

Ability to innovate will also enable a business to remain competitive and respond to changes.

A good example of a recent business innovation is of the two trainees from Jomo Kenyatta University of Agriculture and Technology who developed an automated robot using artificial intelligence to identify and remove weeds from rows of crops. Solution uses cameras as sensors to gather input from the environment and eliminates farmers need to use environmentally pesticides in their weeding.

Technologies Driving Business Innovation

Artificial intelligence (AI)

This refers the ability of a digital computer or computer- controlled robot to perform tasks commonly associated with intelligent beings.

The term is frequently applied to the project of developing systems endowed with the intellectual processes characteristic of humans, such as the ability to reason, discover meaning, generalize, or learn from past experience.

The Internet:

Ever-faster internet speeds are not just about swifter data transfers; they are spawning new business processes and other innovations.

Obviously the same tasks will be done the same way, but faster.

Faster speeds unlock new behaviours.

Businesses can share data between remote facilities in near-instant fashion.

Business Opportunity

Once a viable business has been identified, you need to plan how to make the idea to become a reality.

A business plan is a document which spells out the goals and objectives of a business and clearly outlines how and when these goals can be achieved.

It is an entrepreneurial road map of a successful enterprise.

It can also act as a selling document as well as a management tool or guide.

Sources of business opportunities includes;

- Informal conducts i.e. Observation of market trends
- Talking to successful business people
- Using newspapers
- Talking to potential customers/doing a survey
- Talking to professionals and consultants
- Shows and exhibitions
- Through brainstorming
- Through hobbies and talents
- Through vocational training and experience
- Self-analysis
- Government agencies i.e. EPZ, ministry of industrialization
- Friends and acquaintances
- Internet etc.

Factors that you can consider in selecting a business idea/opportunity

- Infrastructure-roads, power and electricity, water, communication network, social amenities. If these factors are available then environment is conducive
- Market conditions - customers, pattern of trading and business activities
- Demographic factors- total population, type of population, age, sex, level of education, ethnic group etc.
- Cultural values-people have different cultural values and such values affect the explanation of a business i.e. traditions, customs, religious beliefs
- Competition-entrepreneurs need to consider competition in an environment. The less the competition, the higher the chances of growing in exploiting a business opportunity.
- Legal-government policies toward small and big businesses
- Technological factors-level and type of technology available
- Availability of resources-raw materials, HR, availability of credit

Entrepreneurs Self- Assessment:

- Conducting self-assessment can help you as a Regular and special needs trainee to understand yourself and recognize your strong and weak entrepreneurial characteristics.
- In identifying them, as a trainee, you are encouraged to devise ways to improve your weaknesses and further develop your strong characteristics.
- To establish whether you are potential entrepreneur, you as Regular or special needs trainee can carry out a self-assessment by conducting Strength, Weaknesses, and Opportunity Tests:
 - This is a method to determine the:
 - Personal background- this relates to your educational level as a trainee which can be either formal or informal
 - Relevant skills and lifestyle-this area investigates the competence that you as an entrepreneur may possess
 - Behaviour pattern-this section investigates the personality traits that one has when the test is being carried out.
 - Other techniques that can be used are by administering Sentence completion and Paired comparison test, group discussion and through interviews

Why Small Businesses Fail

- i. Management incompetence
- ii. Poor financial control
- iii. Lack of adequate capital
- iv. Over investment in fixed asset
- v. Failure to plan current as well as future operation
- vi. Failure to adopt proper inventory control system
- vii. Improper Attitude (The entrepreneur may not respect time, employees and may have lazy lifestyle and dictatorial style of work)
- viii. Inadequate marketing plan incorrect market identification
- ix. Poor distribution channel Weak marketing communication or promotion

How to avoid the pitfalls

- Know your business in depth:
- Have a Good Relation with Stake Holders
- Prepare business plan
- Managing financial resources
- Understanding financial statement
- Learn to manage people effectively
- Keep in tune with yourself

- Take up short professional courses in management (entrepreneurship):
- Be sensitive to your customers
- Management incompetence
- Poor financial control
- Lack of adequate capital
- Over investment in fixed asset
- Failure to plan current as well as future operation
- Failure to adopt proper inventory control system
- Improper Attitude (The entrepreneur may not respect time, employees and may have lazy lifestyle and dictatorial style of work)
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Resource Mobilization and Utilization

- Resource mobilization is the process of putting together all the resources required by an organization for interventions aimed at achieving its set objectives.
- Resource mobilization is not an end but a means of achieving the end.
- On the other hand, resource utilization is the process of applying appropriate strategies effectively to ensure that the objectives of the programme are realized.
- Resource mobilization and utilization is a process intended to acquire resources needed and effectively use them to solve some problem of given target group that come together in pursuit of collective/common goal.
- As a Regular and special needs trainee, you can mobilize resources, determine the right mix of resources and the most effective ways to utilize them.

Sources of business funds

The two broad categories of sources of resources include:

- i. Internal sources
 - ii. External sources
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- i. **Internal sources:** include the resources that can be generated by the individual through:
 - Personal savings e.g. from HELB, YOUTH FUND
 - Inheritance
 - Donations
 - Public lottery activities
 - Fund raising

ii. **External Sources** : These external sources may include:

- Corporate donors
- NGOs
- Government agencies e. Kenya Industrial Estate
- Venture capitalists
- Angel investors
- Faith based organizations
- Funding proposal

Entrepreneur Incubations

- Entrepreneur incubation is a process designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.
- Business incubators programs are often sponsored by private companies or municipal entities and public institutions, such as colleges and universities.
- Entrepreneur incubation goal is to help create and grow young businesses by providing them with necessary support and financial and technical services.
- Incubators provide numerous benefits to owners of start-up businesses.
- Their office and manufacturing space is offered at below-market rates, and their staff supplies advice and much-needed expertise in developing business and marketing plans as well as helping to fund businesses.

Below are illustrations identifying innovation incubators in Kenya:

S/No	List of Incubators	Aims/Focus Area	Startup Institution/Organization
1.	C4DLab	-Research & Development center -Incubator	The University of Nairobi
2.	iBizAfrica	-Entrepreneurship -Incubation	Strathmore University
3.	Villgro	-Healthcare Center	
4.	FabLab	-Offers digital fabrication	The University of Nairobi
5.	iHub	Supports African tech startups	Connect Build organization Hub, Nairobi
6.	mLab East Africa	<u>Organizations</u> - eMobilis offering education and training	World Wide Web Foundation Organization, Nairobi

		<ul style="list-style-type: none"> - World Wide Web Foundation offering curriculum content - The University of Nairobi School of Computing and Informatics offering research - iHub for community interaction 	
7.	Cisco EDGE Incubation Centre	<ul style="list-style-type: none"> -Speeding up market access for SMEs in the ICT sector -Imparting knowledge 	The University of Nairobi
8.	Growth Hub	-Mentorship and networking opportunities. Its portfolio includes startups such as Farm Lease and Kiara Agro.	Founder Johnni Kjelsgaard, The Danish organization GrowthAfrica
9.	NaiLab	<p>Aims to:</p> <ul style="list-style-type: none"> - Lower market entry barriers for tech entrepreneurs - Offer acceleration and training programmes 	James Gichuru, Founder CEO
10.	The Hub East Africa	-Support startups and SMEs to start, grow and scale their enterprises	The Hub East Africa Organization
11.	The Meltwater Entrepreneurial School of Technology (MEST)	-Provides critical skills training, finding and support in software development, business and communication	Jorn Lyseggen, Founder CEO Meltwater and MEST
12.	Chandaria Business Innovation and Incubation Center	-To support the emergence of innovative companies by offering a place that merges academic research and innovation	Kenyatta University
13.	Kenya Kountry Business Incubators (KeKoBi)	-Supports SMEs and forest entrepreneurship at the local level	Kenya Kountry Business Incubation, Nairobi
14.	Mara Launchpad Incubation Center	-Offers entrepreneurs mentorship, funding, a workspace and business training	Mara Foundation

Others include:

- Lake Hub Foundation
- Research and Development Institute (KIRDI)
- etc.

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