

Unit 2: Chapter 4

ENTERPRISE

Learning Outcomes from this chapter

On completion, you should be able to:

- Illustrate your understanding of the term 'enterprise'
- Outline reasons why someone might become an entrepreneur
- Outline the characteristics/skills that you would associate with entrepreneurs
- Apply entrepreneurial characteristics/skills to a business situation
- Analyse the entrepreneurial characteristics/skills used in the household or to develop local community initiatives
- Define 'intrapreneurship' and give examples of it for a business
- Explain methods of promoting intrapreneurship

Enterprise

Enterprise involves being innovative and creative, while taking on the personal and financial risk of failure, to achieve one's goal.

Enterprise is not just about businesses. It happens when a person comes up with something new and tries to make it a success, aware of the downside that it may fail. Examples of enterprise:

- **Personal enterprise:** Taking a course to develop a skill
- **Business enterprise:** Launching new products (e.g. VR glasses)^[LSEP]
- **Government enterprise:** Connecting the LUAS lines^[LSEP]
- **Social enterprise:** Organising the Colour Dash for cancer support

Why might someone become an entrepreneur?

To earn more income	Not limited to a set wage or salary, keep all profits
To be their own boss	Responsibility/control over decisions, self-directed
Limited career path	Open up new opportunities for growth and self-development
Spots a gap in the market	Capitalise on an opportunity they think could work
Government support	Grants/training at Local Enterprise Offices (LEOs)
They were made redundant	Job no longer needed/no vacancies
Inspired by entrepreneurs	Energised/encouraged by success stories of others

Entrepreneurial skills and characteristics

Innovative	Create new ideas/processes
Human relations	Communicate, energise, network, negotiate well
Flexible	Respond to changing environments, adapt when necessary
Reality perception	See things as they are, not how they would like them to be
Proactive	Use initiative in advance, don't wait to react
Future-focused	Anticipate future trends, spot gaps in the market
Decisive	Act quickly and decisively under pressure
Risk-taking	Take on personal and financial risk of decisions
Determined	Confident in their ability to persevere, resilient

Types of intrapreneurship

New product idea	Create new products, add new USPs to existing ones
Reduce costs	Streamline production, reduce waste/costs of production
Increase revenue	Change sales channels, times, places, target markets
New processes	Improve work methods/procedures



Methods to promote intrapreneurship

Create a culture	Foster an environment that encourages risks/ideas
Allocate resources	Fund R&D, reduce workload to facilitate time
Incentivise ideas	Offer bonuses or profit-sharing for new ideas
Use teamwork	Brainstorm: cross-departmental teams, shared responsibility
Pay for training	Provide training to allow staff to upskill