Strengthen foundations for the future with a practical, 21st century approach

- Support assessment confidence with complete support for the latest Cambridge IGCSE syllabus
- Develop transferable skills to support success in Cambridge Enterprise and related IGCSE subjects, like Economics
- Build real-world skills with integrated support on applying enterprise theory into students’ coursework projects

**Case Study**

Gossy Ukanwoke

Gossy Ukanwoke is the founder of Nigeria’s first private online university. The institution began in 2017 with just 50 students and has since grown to over 1,000 students. Ukanwoke is passionate about education and has a vision of making higher education accessible to anyone, anywhere.

**Case Study**

Mashanda’s vision is to promote and market African art and craft products, which she first opened in 2007.

**Enterprise skills**

- **Skills of enterprising people**
- **Behaviours of entrepreneurs**

**4 Enterprise opportunities, risk, legal obligations and ethical considerations**

- **Opportunities**
- **Risk**
- **Legal obligations**
- **Ethical considerations**

**5 Negotiation**

- **The negotiation process**
- **Negotiation skills**

**6 Finance**

- **Sources of finance**
- **The concept of trade credit**
- **Financial terms**
- **Financial records**

**Student Book answers can be found on the accompanying support site.**
Enterprise skills

Unit 3 is concerned with the skills and personal attributes of enterprising people, such as leadership skills, self-confidence and the willingness to take calculated risks. It aims to help learners to recognize that some people have these skills and attributes naturally, whereas other people have to develop them, such as self-confidence. It is also important that learners understand how people combine and use these skills and attributes in many different ways.

The unit also introduces some particular examples of entrepreneurs who have been successful in their attempts to set up and establish a successful enterprise.

**TOPIC AIMS**

- identify, explain and evaluate the personal attributes, characteristics and skills needed to be enterprising, including:
  - the practical skills and knowledge to create products and services
  - leadership
  - influencing skills
  - team building
  - delegation
  - problem-solving
  - prioritization and time management
  - self-confidence
  - resourcefulness
  - innovation
  - taking initiative
  - taking calculated risks
  - taking responsibility
  - motivation and determination to succeed
  - creativity
  - perseverance

Learners should be able to:

- identify and evaluate how entrepreneurs use their enterprise skills
- analyse and evaluate how entrepreneurs use their enterprise skills
- identify and evaluate their own skills.

**LEARNING OUTCOMES**

Learners should be able to:

- identify, explain and evaluate the personal attributes and skills of enterprising people.

**Skills and attributes needed by entrepreneurs**

**The practical skills and knowledge to create products and services**

Entrepreneurs will have to possess the necessary practical and technical skills to put their ideas into effect. A good example of such an entrepreneur is Sir James Dyson.

**Case study**

**Sir James Dyson**

Sir James Dyson is a British inventor, industrial designer and founder of the Dyson company, established in 1993. He is best known as the inventor of the Dual Cyclone bagless vacuum cleaner.

Dyson had the practical skills and knowledge to design and create a vacuum cleaner that was unique because it did not require a bag to collect the dirt. Instead, he applied the idea of cyclonic separation, which avoided the weakness of traditional vacuum cleaners which lost suction power as the bag became full.

**Extension question**

Discuss the importance of entrepreneurs having the practical skills and knowledge to create products.

**Leadership**

The quality of leadership is crucial to the successful running of an enterprise. Effective leadership involves:

- decisiveness and the ability to think ahead, especially in relation to seeing opportunities, anticipating problems, sensing change and responding to it
- exercising good judgement and taking the correct decisions
- the ability to make others believe in and want to share the leader’s vision.

The best leaders are inspirational and have the type of personality and character that people can believe in. This encourages employees and other people to want to share the leader’s vision and mission. Additional qualities that will help them to lead effectively are charisma, imaginativeness, energy, ambition and courage.

**ACTIVITY 3.1**

Research two different enterprises and contrast the leadership styles of each. Write a report on these leadership styles.

**Study tip**

You need to understand that the term "skills" can be used to cover attributes, characteristics and learned skills. Consider the fact that different people combine and use these enterprise skills in many ways.
There are different types of leaders. Three distinctive types of leader are:

- **autocratic** leaders, who assume a great deal of power and responsibility in an enterprise, taking all the major decisions
- **democratic** leaders, who encourage others in the enterprise to be involved in decision-making as much as possible
- **laissez-faire** leaders, who allow employees to carry out a range of activities with relatively few guidelines or directions.

**Influencing skills**

It is vitally important that an entrepreneur has the ability to influence other people and the decisions that they make if the enterprise is going to succeed. This skill is vital in a number of different situations, such as negotiating, building a team and dealing with stakeholders. The ability to influence others is dependent on having good interpersonal and communication skills. Interpersonal and communication skills include the tools that people use to interact and communicate with each other. They can include verbal communication, non-verbal communication, listening skills, decision-making and assertiveness.

**Team building**

There is only so much that one entrepreneur can do by themselves, which means that it is difficult for an entrepreneur to flourish without help and support from others. It is therefore important to build an effective team and this will probably encourage enthusiasm and commitment in an enterprise, making success more likely.

**Delegation**

Although responsible for taking key decisions in their enterprise, entrepreneurs will not be able to take every decision. They will need to delegate, which means passing some responsibility or authority to others in the enterprise to carry out specific activities.

**CASE STUDY**

**Ambareesh Murty**

Ambareesh Murty was in charge of eBay in India until 2011. He then decided to leave and start up his own enterprise, Pepperfry.com. This enterprise sells furniture and home products.

Murty stresses the importance of team building in his success. He argues that it is impossible for one entrepreneur to take all the decisions in an enterprise. He believes strongly in the importance of empowering people in an enterprise and encouraging them to take responsibility for the success of an enterprise.

**Extension question**

Discuss how effective teams can contribute to the success of an enterprise.

**Skills signpost**

In Unit 1, you learned about the use of communication skills as a way of being enterprising. Understanding how entrepreneurs use a variety of different forms of communication will help you better understand this skill.

**Key term**

**Team building**: the process of improving the effectiveness and motivation of people working together in a team.

**Skills signpost**

Unit 1 showed that working in teams is one way of being enterprising. Understanding how entrepreneurs build and use their teams will help you better understand the skill of working effectively in a team.

**ACTIVITY 3.2**

Research two different entrepreneurs or enterprises. How important has team building been to their success?

**ACTIVITY 3.3**

Research two different entrepreneurs and analyse how important their ability to delegate effectively has been to their success.

**ACTIVITY 3.4**

Research two different entrepreneurs and analyse how important their ability to solve problems has been to the success of their enterprises.

**CASE STUDY**

**Richard Branson**

Sir Richard Branson is an English entrepreneur born in 1950. He is the founder of the Virgin Group, which comprises a variety of different companies such as Virgin Atlantic Airways, Virgin Trains and Virgin Mobile. His first enterprise, set up when he was 16, was a magazine called Student. His other enterprises have included Virgin Records, Virgin Media and Virgin Galactic.

Branson has always had a great deal of self-confidence. His interest in enterprise stems from a need to set himself massive challenges and to try as hard as possible to rise above them and achieve success. He emphasizes that he has never started an enterprise that he has not been passionate about. He also stresses the importance of optimism and says that the problems he has faced intensified his determination to be successful.

**Extension question**

Consider why self-confidence is crucial to the success of an entrepreneur such as Richard Branson.
ACTIVITY 3.5

has their resourcefulness been entreprenuers. How important into practice.

is a totally original idea, and enterprising.

work creatively will help you entreprenuers do actually

Understanding how

Study tip

You need to show you understand that there are different leadership styles and ways of exercising leadership in an enterprise.

ACTIVITY 3.5

Research two different entreprenuers. How important has their resourcefulness been to their success?

Skills signpost

As discussed in Unit 2, thinking creatively and independently is a way of being entreprenuer. Understanding how entreprenuers do actually work creatively will help you better understand the need for creativity when being entreprenuer.

Key term

Innovation: the process of putting a new idea into practice

Study tip

Make sure you can demonstrate that you clearly understand the difference between an invention, which is a totally original idea, and an innovation, which is the process of putting a new idea into practice.

available. Effective time management is absolutely crucial to the success of an entreprenuer as it ensures that time is not wasted.

Self-confidence

The leader of an entreprenuer is likely to have a great deal of self-confidence, and this confidence can inspire confidence in the people around them. It is important that an entreprenuer is confident in themselves, especially in their ability to succeed, and in their product and their entreprenuer. An entreprenuer is convinced that their business idea will succeed. Their confidence about their ability, their product and entreprenuer helps others to believe in them and reflects positively on the entreprenuer’s reputation.

Some people are naturally self-confident. Other people are less naturally confident, which means that they have to develop this skill, just like they would develop any other skill, in order to succeed as an entreprenuer.

Resourcefulness

To achieve success, entreprenuers need to have (or be able to gain) various resources that are necessary to the success of their enterprises. Resourcefulness also includes the ability to use the available resources to meet new and different situations.

CASE STUDY

Shimi Shah

Shimi Shah has been involved in financial investments in the United Arab Emirates (UAE) for over 15 years. Her resourcefulness has enabled her to start a venture capital and advisory business, Carousel Solutions.

Shah has stated that, contrary to the impressions of those outside the Middle East, the UAE now “assists women greatly and has a lot going for female entreprenuers”. She says that funding for early-stage entreprenueres remains a challenge locally, but adds that the more resourceful entreprenuers can eventually get established, utilizing the proactive female business network in the country.

Extension question

Consider why resourcefulness is important to the success of an entreprenuer.

Innovation

Innovation is the process of putting a new idea into practice. There are actually two types of innovation:

● product innovation, where a new product is brought into the marketplace

● process innovation, where new ways of doing something are introduced

Entreprenuers are often innovative. They are continually trying to come up with new ideas and develop new products. Many challenge traditional or orthodox approaches to problems and create new solutions. Steve Jobs, the founder of the technology business Apple, stated that innovation was the most important attribute that distinguished a leader from a follower.

ACTIVITY 3.6

Research two entreprenuers. How important has their ability and willingness to take the initiative been to their success?

Skills signpost

Unit 2 explored willingness to take the initiative as being a way of being entreprenuer. Understanding how entreprenuers do actually take the initiative will help you better understand this skill.

ACTIVITY 3.7

Research two different entreprenuers. Analyse how important their willingness to take calculated risks has been to their success.

CASE STUDY

Steve Jobs

Steve Jobs was an American entreprenuer. He was born in 1955 and died in 2011. He was the co-founder, chairman and chief executive officer (CEO) of Apple.

Jobs is regarded as having been an important pioneer of the personal computer revolution. He oversaw the development of the Mac, iTunes, the iPod, the iPhone and the iPad. Among other things, Jobs has been described as a visionary, the father of the digital revolution and a master of innovation.

Extension question

Research Steve Jobs and explain why he has been described as a master of innovation.

CASE STUDY

Nkemdilim Begho

Nkemdilim Begho is the Managing Director of the Nigerian IT business Future Software Resources and the winner of the 2012 Etisalat Nigeria Prize for Innovation. She believes that innovation in Africa can be improved by supporting anyone who has an innovative idea, and that prizes for innovation help to provide this support.

Extension question

Discuss how prizes and competitions can support innovation.

CASE STUDY

Anya Cherneff

Anya Cherneff is a co-founder of Empower Generation in Nepal. This entreprenuer aims to encourage widespread adoption of clean energy in developing countries by connecting female entreprenuers and technology providers. Cherneff believed that women in Nepal had limited opportunities. She took the initiative to widen these opportunities by enabling female entreprenuers in developing countries to develop their own clean energy enterprises.

Extension question

Consider why it is important for entreprenuers like Cherneff to take the initiative.

Willingness to take the initiative is crucial to an entreprenuer’s success. Entreprenuers should not wait to see what happens, but should be bold and decisive. They need to be proactive rather than reactive, which means that their judgement is vitally important to their success.

Taking calculated risks

Unit 1 discussed the fact that risk is at the heart of entreprenuer. There are no guarantees of success. No matter how strongly an entreprenuer believes in the likelihood of a product succeeding, the customers will ultimately decide whether an entreprenuer is a success or not.
It has been estimated that approximately one in five of new products introduced into the marketplace is likely to be successful, which means that there is an 80% risk of a new product failing. Despite this, entrepreneurs take the risk of launching new products and enterprises in the knowledge that their product or enterprise may fail. This is known as a calculated risk. At the heart of the calculation is the relationship between risk and reward. Unit 2 considered the rewards facing an enterprise and these potential rewards often encourage entrepreneurs to take a calculated risk.

One important aspect of taking a calculated risk is that, if the enterprise or product fails, the entrepreneur must learn from this experience.

**CASE STUDY**

**Jennifer Liu**

Jennifer Liu is an entrepreneur in Hong Kong. In 2003, Hong Kong's economy was badly affected by the outbreak of severe acute respiratory syndrome (SARS), which killed almost 300 people in Hong Kong. While many businesses in the city closed, Liu started a coffee chain, Habitu.

This was a calculated risk, as SARS had a huge effect on business confidence in Hong Kong, but Liu was determined to make the enterprise a success. Habitu now has 20 shops and plans to open more.

**Extension question**

Discuss why it is often important for an entrepreneur to be willing to take a calculated risk.

**Taking responsibility**

To succeed, entrepreneurs must be able and willing to take responsibility, especially when their enterprise experiences difficulties. This means that they must be accountable for what is going on in an enterprise.

**Motivation and determination to succeed**

Successful entrepreneurs are motivated and determined to succeed. Many businesses collapse, especially during the first year of existence, so it is crucial to the success of an enterprise that the entrepreneur remains committed to, and passionate about, what the enterprise stands for. They must focus on their vision for the enterprise and what needs to be done to achieve it, and this focus drives many entrepreneurs to succeed.

**CASE STUDY**

**Frans Aupa Indongo**

Frans Aupa Indongo was an entrepreneur before Namibia gained independence. He was determined to be successful, although the apartheid regime at the time made this very difficult for black entrepreneurs. He started a brick-making enterprise in the 1950s then diversified into other enterprises, including clothing and sugar. His enterprises now employ over 1000 people in Namibia.

**Extension question**

Discuss why Indongo is a good example of the importance of determination to succeed to a successful entrepreneur.

**ACTIVITY 3.8**

Research two different entrepreneurs. How important has their determination to succeed been to their success?

**Skills signpost**

Unit 1 discussed the fact that a willingness to lead is one way of being entrepreneurial. Understanding how entrepreneurs exercise leadership will help you better understand the skill.

**ACTIVITY 3.9**

Research two entrepreneurs and analyse how important their creativity has been to the success of their enterprises.

**CASE STUDY**

**Gossy Ukanwoke**

Gossy Ukanwoke is the founder of Nigeria's first private online university. He started a social networking site called Student Circle when he was still at school. The success of that enterprise encouraged him to create an online university.

Ukanwoke recognizes that there are a lot of challenges that he needs to rise above in order to succeed. He describes his work as an entrepreneur as an ambitious journey filled with risks and rewards. He strongly believes in the importance of higher education and intends to develop a global university.

**Extension question**

Explain how a determination to succeed has been crucial to Ukanwoke’s entrepreneurial work.

**CASE STUDY**

**Tendai Theresa Mashanda**

Tendai Theresa Mashanda is an entrepreneur in Malawi. She owns Tindoz d’Afrique, an arts and crafts business selling items produced by African artists, which she first opened in 2007.

Mashanda’s vision is to promote and market African art and craft products, especially those made by young people and women who do not have access to markets in their own countries.

**Extension question**

Discuss how creativity can be an important element in the success of an enterprise.

**Creativity**

An important aspect of entrepreneurship is thinking creatively, such as asking why something should or should not be done. Entrepreneurs often have original and creative ideas, but it can be challenging to put such ideas into practice and make them work. This can often require boldness and confidence to overcome the fear that the idea will fail. Edwin Land, inventor of the Polaroid camera, said “an essential aspect of creativity is not being afraid to fail”.

**Perseverance**

Entrepreneurs need to persevere, especially when their enterprise is experiencing difficulties. Perseverance is the refusal to give up, which means that an entrepreneur will continue to aim to achieve success even if they experience obstacles. Having a vision is so important because it gives an entrepreneur goals to work towards.
3.2 Behaviours of entrepreneurs

LEARNING OUTCOMES

Learners should be able to:

- analyse and evaluate how entrepreneurs use their enterprise skills.

You need to be able to analyse and evaluate the behaviour of entrepreneurs from your local community and in the rest of the world.

The following case studies are two examples of entrepreneurs from around the world.

Case studies

Refer to the five case studies on pages 6–10. Give examples from each of them of the various skills and personal attributes that have been covered in this unit.

Coursework

You will be given the opportunity to identify and evaluate your own enterprise skills during the enterprise project.

CASE STUDY

Madinah Nalukenge

Madinah Nalukenge runs a catering business in Kampala, the capital of Uganda. It makes a profit of up to US$3000 a month.

Nalukenge is a 34-year-old single mother and the success of the enterprise is a great source of pride for her, especially as some of her enterprise projects in the past have failed. She stresses the importance of perseverance and the need to stay focused if success in enterprise is to be achieved.

Nalukenge is proud to be part of a growing trend in Africa where more women are running enterprises than ever before. According to research carried out by the World Bank, Africa has a higher growth rate of female-run enterprises than anywhere else in the world.

Extension question

Consider the importance of perseverance to the success of entrepreneurs.

CASE STUDY

Altoysius Attah

In 2013, Altoysius Attah co-founded Farmerline, which is a Ghanaian software business. It creates technological solutions to enable farmers and other rural businesses to access up-to-date information about markets and agriculture.

From the outset, Attah was determined to be a success and to give back to society. As a child, he lived with his aunt who was a small-scale farmer, so his vision for Farmerline is to give farmers across Africa the tools that they need to become prosperous and more enterprising.

Farmerline’s software empowers farmers by helping them to increase their farms’ productivity, improving their income, and to access global markets, giving them a much wider range of potential customers. It also helps them learn more about sustainable farming practices and apply global certification standards to their farms. The enterprise’s software is also used by governments and charitable organizations.

By 2017, Farmerline had turned a profit for two years and had reached hundreds of thousands of users throughout West Africa. It works with Echoing Green, a social innovation fund, and the Miller Center for Social Entrepreneurship, which helps social entrepreneurs. The enterprise has also received a number of awards, including a 2016 SEED Award for Entrepreneurship in Sustainable Development.

Extension questions

1. Explain how Farmerline uses communication technology to achieve its aims.
2. Discuss the role that an entrepreneur’s vision can play in the success of their enterprises.
CASE STUDY

Hooi Ling Tan

Hooi Ling Tan is a co-founder of Grab, the business responsible for GrabTaxi, which is a taxi-hailing app in South East Asia. In 2011, she and her co-founder created a business plan for a mobile app that would connect customers directly to taxi drivers via phone. Their idea came second in a Harvard Business School competition and, by 2012, the app had launched in Malaysia. By 2017, GrabTaxi was available in six South East Asian countries, including Singapore, Thailand, Indonesia and Myanmar.

Hooi Ling Tan stresses the importance of entrepreneurs having a unique idea and the determination to make it succeed. She also enjoys having the ability to make decisions and shape the future of Grab, which she lacked in her previous jobs. Tan may be the chief operating officer (COO) of Grab, but she thinks of herself as a “plumber”, dealing with things behind the scenes. She likes to focus on the enterprise’s products, people and customers.

Tan’s latest project is GrabHitch, a new car-sharing app that the enterprise is testing in Singapore. She feels strongly about contributing to society and wants to ensure that female customers are able to get around their cities safely, especially at night. GrabHitch gives its customers the option to choose drivers who are the same gender as them.

Extension questions
1. Explain how Hooi Ling Tan has developed an enterprise that is distinctive.
2. Discuss the challenges that Grab faces in making consumers more aware of its services.

ACTIVITY 3.11
Select two successful entrepreneurs, one from your own country and one from another country. Research the skills and personal attributes that have enabled them to become successful. Write a report that you can present to your class.

ACTIVITY 3.12
Find out about some entrepreneurs in your local community. Make a checklist of the attributes and skills covered in Unit 3.1, then use the checklist to identify the skills displayed by each entrepreneur.

Key points
1. These examples of entrepreneurs display some of the variety of personal attributes and skills needed to be successful.
2. These examples also show what can be achieved when an entrepreneur is determined to be a success.

Summary questions
1. Analyse the behaviour necessary for an entrepreneur to be successful.
2. Discuss the similarities and differences between the achievements of the two entrepreneurs in the case studies.

Unit 3 Practice questions
1. Identify and explain two personal attributes, characteristics or skills that are needed to be a successful entrepreneur. (4)
2. Explain why it may sometimes be necessary for an entrepreneur to take a calculated risk. (4)
3. Explain why effective (i) team-building skills and (ii) problem-solving skills are needed to be a successful entrepreneur. (6)
4. Discuss how one entrepreneur you have studied has used their personal attributes, characteristics and learned skills to be successful. (10)
5. Evaluate the likely importance of self-confidence, resourcefulness and a determination to succeed to the success of an entrepreneur. (15)
Complete Enterprise for Cambridge IGCSE®

Develop real-world skills for Cambridge exam success and future potential

Complete support for the latest Cambridge IGCSE syllabus (0454), for examination from 2020

Pre-order your online evaluation copy
www.oxfordsecondary.com/new-cambridge-publishing

Ordering information

Complete Enterprise for Cambridge IGCSE (Second Edition) Early 2018

<table>
<thead>
<tr>
<th>Product</th>
<th>ISBN</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print Student Book</td>
<td>978 019 842529 8</td>
<td>£28.99</td>
</tr>
<tr>
<td>Online Student Book</td>
<td>978 019 842784 1</td>
<td>£28.99</td>
</tr>
<tr>
<td>Print and Online Student Book Pack</td>
<td>978 019 842783 4</td>
<td>£38.99</td>
</tr>
</tbody>
</table>

Evaluate in print or place an order
Email schools.orders.uk@oup.com  Call +44 1536 452620

Get advice and support
Contact your Education Consultant – visit www.oxfordsecondary.com/contact-us

Sample material is uncorrected and may change prior to final publication. Although we have made every effort to trace and contact all copyright holders before publication this has not been possible in all cases. If notified, the publisher will rectify any errors or omissions at the earliest opportunity.