

**COURSE
GUIDE****ENS 305
BUSINESS OPPORTUNITY SCOUTING AND EVALUATION**

Course Team: Dr. Idowu Khadijat (Course Writer)
LASU
Taiwo Abdullahi
UNIZIK

Ass Prof Akewushola R.O (Course Editor)
LASU

Lawal, Kamaldeen A. A. Ph.D – (HOD)
Department of Entrepreneurship
Faculty of Management Science, – NOUN

Dr. Ishola, Timothy O. (Dean)
Department of Entrepreneurship
Faculty of Management Science – NOUN

**NATIONAL OPEN UNIVERSITY OF NIGERIA**

National Open University of Nigeria

Headquarters

University Village

Plot 91 Cadastral Zone

Nnamdi Azikiwe Expressway

Jabi, Abuja.

Lagos Office

14/16 Ahmadu Bello Way

Victoria Island, Lagos

e-mail: centralinfo@noun.edu.ng

URL: www.noun.edu.ng

Published by:

National Open University of Nigeria

ISBN:

Printed: 2017

All Rights Reserved

CONTENTS

PAGE

Introduction
Course Contents
Course Aims
Course Objectives
Working through This Course
Course Materials
Study Units
Textbooks and References
Assignment File
Assessment
Tutor-Marked Assignment
Final Examination and Grading
How to get the Best out of this Course
Facilitators/Tutors and Tutorials
Useful Advice
Summary

INTRODUCTION

ENS 305 BUSINESS OPPORTUNITY SCOUTING AND EVALUATION is a one semester course work having two credit units. It is available to students on B.Sc. Entrepreneurship in the School of Management Sciences at the National Open University of Nigeria.

The course is made up of 13 units covering essential topics in Business Opportunity Scouting and Evaluation. It also treated in detail, the different ways to identify business opportunities and how to tackle problems faced by entrepreneurs.

This course guide tells you what the course is all about, the relevant textbooks you should consult, and how to work through your course materials to get the best out of it. It also contains some guidelines on your tutor-marked assignments.

COURSE CONTENTS

This course will consider sources of business opportunities and the difference between ideas and opportunities, strategies for scanning and evaluating business opportunities, business opportunities challenges. It challenged students to think beyond family, government, national borders in search for social or economic opportunities.

COURSE AIMS

The course aims to groom the students in the Business Opportunity Scouting and Evaluation in order to understand which prepares them for life journey of entrepreneurship. Sooner or later, the students, after their studies, will be able to model their businesses along with those ability to get opportunity and manage problems faced by entrepreneurs already discussed in this study.

COURSE OBJECTIVES

In order to achieve the full aims of the course, the study is divided into logical units and each unit states, at the beginning, the objective which is set to be achieved. You are therefore advised to read through the specific objectives before reading through the unit.

WORKING THROUGH THIS COURSE

It is very crucial that you read through the units carefully by consulting the suggested texts and other relevant materials to broaden your understanding. The units may contain tutor-marked assignments to help you. Only when you have gone through all the study materials provided by the National Open University of Nigeria (NOUN) can you satisfy yourself that indeed you have completed the course. Note that at certain points in the course you are expected to submit assignments for assessment, especially

the Tutor-Marked Assignment (TMAs). At the end of the course, there will be a final examination to test your general understanding of the course.

COURSE MATERIALS

Major components and study units in the study materials are:

Course Title: ENS 305 Business Opportunity Scouting And Evaluation

Study Units

We have four modules and fourteen study units under this course. These are:

MODULE 1

- UNIT 1 The Concept of Business
- UNIT 2 Characteristics and Business Goals of Business Enterprises
- UNIT 3 Need For Small Business Enterprises
- UNIT 4 A Concept of Innovative Business Ideas And Business Opportunities
- UNIT 5 Difference Between Business Ideas and Business Opportunities

MODULE 2

- UNIT 1 Identification of Business Opportunity
- UNIT 2 Evaluation, Steps And Guideline Of Business Opportunities
- UNIT 3 Types of Business Opportunities for Entrepreneurs
- UNIT 4 Business Plan
- UNIT 5 Creative Entrepreneurship

MODULE 3

- UNIT 1 Entrepreneurial Skills
- UNIT 2 SWOT Analysis
- UNIT 3 Problems of Entrepreneur
- UNIT 4 Business Management Techniques
- UNIT 5 Management Concepts

TEXTBOOKS AND REFERENCES

You should use the prepared text for the course made available to you by NOUN. However, in your own interest, do not limit yourself to this study text. Make effort to read the recommended texts to broaden your horizon on the course.

ASSIGNMENT FILE

The assignment file will be made available to you (where applicable). There, you will find details of all the work you must submit to your tutor for marking. The marks you obtain from these assignments will count towards the final mark you will obtain to hit the required pass-mark for the course.

ASSESSMENT

Your performance on this course will be determined through two major approaches. The first is through your total score in the Tutor-Marked Assignments, and the second is through the final examination that will be conducted at the end of the course. Thus, your assessment in the course is made up of two components: Tutor-marked Assignment 30% Final Examination 70%.

The self-assessment tests which may be provided under some units do not form part of your final assessment. They are meant to help you understand the course better. However, it is important that you complete work on them religiously so that they will help in building you strongly and serving you as mock-examination.

TUTOR-MARKED ASSIGNMENT

At the end of each unit, there is a Tutor-Market Assignment (TMA), which you are encouraged to do and submit accordingly. The study center manager/ tutorial facilitator will guide you on the number of TMAs to be submitted for grading.

Each unit of this course has a TMA attached to it. You can only do this assignment after covering the materials and exercise in each unit. Normally, the TMAs are kept in a separate file.

Currently, they are being administered on-line. When you answer the questions on-line, the system will automatically grade you. Always pay careful attention to the feedback and comments made by your tutor and use them to improve your subsequent assignments.

Do each assignment using materials from your study texts and other sources. Try to demonstrate evidence of proper understanding, and reading widely will help you to do this easily. The assignments are in most cases easy questions. If you have read the study texts provided by NOUN, you will be able to answer them. Cite examples from your own experience (where relevant) while answering the questions. You will impress your tutor and score higher marks if you are able to do this appropriately.

FINAL EXAMINATION AND GRADING

At the end of the course, you are expected to sit for a final examination. The final examination grade is 70% while the remaining 30% is taken from your scores in the TMAs. Naturally, the final examination questions will be taken from the materials you

have already read and digested in the various study units. So, you need to do a proper revision and preparation to pass your final examination very well.

HOW TO GET THE BEST OUT OF THIS COURSE

The distance learning system of education is quite different from the traditional or conventional university system. Here, the prepared study texts replace the lecturers, thus providing you with a unique advantage. For instance, you can read and work through the specially designed study materials at your own pace and at a time and place you find suitable to you.

You should understand from the beginning that the contents of the course are to be worked on carefully and thoroughly understood. Step by step approach is recommended. You can read over a unit quickly to see the general run of the contents and then return to it the second time more carefully.

FACILITATORS/TUTORS AND TUTORIALS

Full information about learning support services or tutorial contact hours will be communicated to you in due course. You will also be notified of the dates, time and location of these tutorials, together with the name of your tutors. Your tutor will mark and comment on your assignments.

Pay attention to the comments and corrections given by your tutor and implement the directives as you make progress.

USEFUL ADVICE

You should endeavour to attend tutorial classes since this is the only opportunity at your disposal to come face to face with your tutor/lecturer and to ask questions on any grey area you may have in your study texts. Before attending tutorial classes, you are advised to thoroughly go through the study texts and then prepare a list of questions you need to ask the tutor. This will afford you opportunity to actively participate in the class discussions.

SUMMARY

This course material discuss the Concept of Business, characteristics and Business Goals of Business Enterprises, need For Small Business Enterprises, a Concept of Innovative Business Ideas And Business Opportunities, Difference Between Business Ideas and Business Opportunities, Identification of Business Opportunity, Evaluation, Steps And Guideline Of Business Opportunities, Types of Business Opportunities for Entrepreneurs, Business Plan, Creative Entrepreneurship, Entrepreneurial Skills, SWOT Analysis and Problems of Entrepreneur.

MODULE 1

UNIT 1	The Concept of Business
UNIT 2	Characteristics and Business Goals of Business Enterprises
UNIT 3	Need For Small Business Enterprises
UNIT 4	A Concept of Innovative Business Ideas And Business Opportunities
UNIT 5	Difference Between Business Ideas and Business Opportunities

UNIT 1 THE CONCEPT OF BUSINESS**CONTENTS**

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Types of Business Existing within the Economy
3.1.1	Agribusiness
3.1.2	Mining
3.1.3	Financial Business
3.1.4	Marketing Business
3.1.5	Heavy Industrial Business
3.1.6	Light Industries
3.1.7	Service Industries
3.2	Obligations of Business
3.2.1	To Customers
3.2.2	To Workers
3.2.3	To Management
3.2.4	To Competitors
3.2.5	To Investors
3.2.6	To Public
4.0	Conclusion
5.0	Summary
6.0	Tutor-Marked Assignment
7.0	References/Further Readings

1.0 INTRODUCTION

This unit discusses business because understanding it will enhance the understanding of business opportunity scouting and evaluation. As far as we are discussing business opportunity scouting and evaluation, we cannot avoid discussing business. Although business assumes a wide position, business opportunity scouting and evaluation narrows it down to a manageable level for clarity purpose. Generally, there are numerous businesses, but investments are made in those ones that available fund can finance.

Admittedly, the main focus is on the Agro-business but the concept of business shows that the unit is operated in a commercial way. After discussing business, then it becomes easier to discuss agribusiness.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

- what business is all about
- types of businesses existing in our environment □ obligations of business.

3.0 MAIN CONTENT

3.1 Concept Business

Business can be defined as an institution concerned primarily with the production and marketing of goods and services for the economy. It can also be defined as all the economic activities carried out in order to provide goods and services. However, Hooper defines business as the whole complex field of commerce and industry, the basic industries, processing and manufacturing industries, and the network of ancillary services, distribution banking, insurance, transport, etc, which serve and interpenetrate the world of business far and wide. Business can be private or public, providing goods and services. The major aim of operating business is to make profit especially in private types. In public type, however, profit maximization is de-emphasized. Rather, it is service oriented. But profit is made in order to sustain the business.

3.1 Types of Business Existing within the Economy

The following are the major types of businesses existing with the economy.

3.1.1 Agribusiness

This is agriculturally related business, concerned with the production, distribution and processing of food and fiber. Greater proportion of the total labour force is involved in agribusiness in Nigeria.

3.1.2 Mining

Mining is concerned with the exploration of minerals, petroleum, coal, etc.

3.1.3 Financial Business

This is a business that has to do with financial transactions with the banks, insurance, companies, credit houses etc.

3.1.4 Marketing Business

This business deals with wholesale and retail trading.

3.1.5 Heavy Industrial Business

These are industries that engage in large-scale production or activity and require huge amounts to set up.

3.1.6 Light Industries

These are industries that engage in small-scale production or activity and often do not require huge sums to set up.

3.1.7 Service Industries

Service industries include tailoring, barbing salon, pool bating, etc.

SELF ASSESSMENT EXERCISE

Mention the types of business existing in the economy.

3.2 Obligations of Business

Business has the following obligations to fulfill:

3.2.1 To Customers

The customers should have the best products and services at the least cost, according to the rules of fairness to all engaged in production and distribution.

3.2.2 To Workers

There is the need to preserve their employment with all rights and rewards and to expect fair contribution from them under conditions approved by law and work social ethics.

3.2.3 To Management

That the management may be recognized and rewarded according to the fruits of their decisions, and protect the interest of others.

3.2.4 To Competitors

That there will be no unfair practices and foul means. Smuggling, counterfeiting and substandard goods are condemnable measures of doing harm to competitors.

3.2.5 To Investors

To safeguard the investments and interests of the investors, using the best management judgments and decisions. Efforts should be made to open up profitable investment opportunities so that profits can accrue to the investors after expenses have been paid out.

3.2.6 To Public

That the enterprise(s) will promote the general welfare, education and social activities that enhance high productivity and ethical obligation and to observe faithfully the laws of the land.

4.0 CONCLUSION

In this unit, we have explained the concept of business. It is to be noted that not only commercial activities that are referred to as business: other activities come into plays too. Further, the major types of businesses have been identified and discussed. Discussions have also been carried out on the obligations businesses are expected to fulfill in respect of some institutions.

5.0 SUMMARY

This unit has treated the concept of business, which shades more light on the concept of business. It also looks at the major types of businesses and finally the obligations. This can be referred to as social responsibility.

6.0 TUTOR-MARKED ASSIGNMENT

Discuss the factors responsible for most businesses in Nigeria being classified as small- scale, Medium or Large businesses.

7.0 REFERENCES/FURTHER READINGS

Ajonbadi, H.A (2000) *Applied Business Management Theory*, Vantage Publishing, Lagos

Musselman. V.A and Ughes, E.H (1981). *Introduction to Modern Business Analysis and Interpretation*. Englewood Cliffs N.J.: Prentice Hall Inc.

Otokiti, S.O(2005) *Business Management*, Pumak Publishing, Lagos

Oyedijo, A., Oladele, J. and Olumoko, Y. (2008) *Entrepreneurship and Small Business*. Strategic-international press ltd, Lagos.

Unamla, P.C. and Ewurum, U.J.F (1995). *Business Administration*. Precision Printers and Publishers. *Business Ideas vs. Business Opportunities: What is the Difference*.

UNIT 2 CHARACTERISTICS AND BUSINESS GOALS OF BUSINESS ENTERPRISES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Characteristics of Business
 - 3.2 Ownership
 - 3.3 Size of employees
 - 3.3.1 Revenue and Profitability
 - 3.3.2 Market Area
 - 3.3.3 Location
 - 3.3.4 Limited Investment
 - 3.4 Goals of Business
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the Concept of business. This unit contains information related to the characteristics of business as well as the goals of business.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- explain the major characteristics of business
- define the goals of business

3.0 MAIN CONTENT

3.1 Characteristics of Business

The characteristics of a business vary from one place to another but there are few similar characters related to a business. The following are few characters of a business:

3.2 Ownership

Businesses mostly prefer to be organized as sole proprietorship, partnership or limited liability companies.

3.3 Size of Employees

Small scale businesses employ smaller teams of employees than companies that operate on a larger scale because most small businesses are labor-intensive. The smallest businesses are run entirely by single individuals or small teams.

3.3.1 Revenue and Profitability

Small scale business revenue is generally lower than companies that operate on a large scale. Note that lower revenue does not necessarily translate into lower profitability. Established small businesses often own their facilities and equipment outright, in which, in addition to other factors, helps to keep costs lower than more leveraged businesses.

3.3.2 Market Area

Small scale business serves a much smaller area than corporations or large businesses. A small convenience store might serve a single community and due to its size, it cannot serve areas much larger than a local area, since growing beyond that would increase the scale of the business operation and push it into a new classification.

3.3.3 Location

A small scale business is mostly found in a limited area, along busy streets or major mode of transport. Also, the business is often located closer to material and supply sources and to markets, easing the burdens of transportation and time.

3.3.4 Limited and unlimited Investment

In a small business enterprise, capital is supplied by an individual or a small group of individuals but large scale business capital is supplied by an individual or a small group of individuals loan from Banks.

3.4 Goals of Business

Setting of goals is of great importance to a business, as it helps the growth of the business. Small business begins in almost as many ways as there, are entrepreneurs. Some are started by people who are out of work or unhappy where they are working. Some are started on a part-time basis to bring in extra income for the owner. Still others are begun for the sheer challenge or creativity involved. Some of these part-time operations never grow beyond their simple beginnings.

Owners may be content with small-scale operations and not want to get any bigger. Other businesses grow into full-time larger companies, sometimes becoming partnerships or corporation.

Other small businesses are started by people who've developed a product or service that can be produced and sold only in a new business set up for that purpose. Historically, many such businesses have evolved into large corporations, providing employment opportunities for many other people.

The following are goals a business owner must achieve;

- **Profitability**

A common business goal is to run a profitable operation which typically means increasing revenue while limiting expenses. To reach this goal, objectives could consist of increasing annual sales by 10%.

- **Efficiency**

Efficiency in a business operation is a way to increase productivity. To improve efficiency, you might decide to get raw materials earlier than you normally do to satisfy your consumers.

- **Growth**

Most small business does not aim at growth at all thereby offering existing product, process and service. Growth should be the goal of any small business.

4.0 CONCLUSION

Characteristics of businesses are used to identify a small, medium or large business while the goals are driving forces of a business. Every business owner must strive for growth.

5.0 SUMMARY

In this unit, we discussed the various characteristics of businesses. Also, goals of a small, medium and large business enterprise were discussed in this unit.

6.0 TUTOR MARKED ASSIGNMENT

1. List the various characteristics of a small business?
2. How does efficiency relate to productivity?

7.0 REFERENCES AND FURTHER READING

Oyedijo, A., Oladele, J. and Olumoko, Y. (2008) Entrepreneurship and Small Business. Strategic-international press ltd, Lagos.

UNIT 3 NEED FOR SMALL BUSINESS ENTERPRISES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 General Importance of Small Business Enterprises
 - 3.2 Importance of Small Business Enterprises in the Economic Development
 - 3.3 Problems of Small Business Enterprises
 - 3.3.1 Inadequacy of Finance
 - 3.3.2 Lack of Continuity
 - 3.3.3 Poor Implantation of Government Policy
 - 3.3.4 Poor managerial skills
 - 3.3.5 Inadequate information base
 - 3.3.6 Inadequate Infrastructure
 - 3.3.7 Lack of adequate raw materials
 - 3.3.8 Poor accounting system
 - 3.3.9 Unstable policy environment
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the characteristics and goals of business. In this unit, we will be talking about the need for small business enterprises.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- explain the importance of small business
- explain the problems of small business

3.0 MAIN CONTENT

3.1 General Importance of Small Business Enterprises

The importance of small business enterprises cannot be overlooked and they include:

- It provides employment opportunities
- Helps to conserve foreign exchange
- Promotes indigenous entrepreneurial skills

- Enhances the quality of life in urban and rural areas
- Reduces rural/urban migration
- Responds promptly to the dynamic business environment than big businesses
- Helps in production of special and varied products and services which may not be attractive business options to large firms.
- Facilitates the use of untapped savings thereby encouraging capital formation which is the engine of growth.

3.2 Importance of Small Business Enterprises in the Economic Development

Small business enterprise account for substantial part of the total industrial employment, production and value added in an economy business concern.

- It act as catalyst for technological development
- Provides employment opportunities
- They provide training ground for establishment and management of a large firm, over time some of these firms grow in size either by expansion or by merging with other firms.
- They encourage and promote private sector initiatives and development.
- They help to fill the gap left and un-serviced by the large firms.
- They help to tab the relatively ignored and other unexploited resources and areas of production
- They said the process of redistribution of incomes in many countries both in pure financial terms and in regional terms.
- They act as industrial links between local producers of raw materials and industrial concerns
- They have positive implications for improving the standard of living of the citizens and generation of foreign exchange through export.

3.3 Problems of Small Business Enterprises

Even though small business enterprise has its importance, it is necessary to look at the problems facing small business enterprises. These problems include;

3.3.1 Inadequacy of finance capital

Majority have limited access to diverse sources of capital or even foreign exchange as institutional credit.

3.3.2 Lack of continuity

Most small business enterprises are sole proprietorship and ceased to exist as soon as the owner loses interest or he is dead.

3.3.3 Poor Implantation of Government Policy

So many government policies in respect of small business enterprises are poorly implemented, which makes it possible to continually sustain and support small business enterprises.

3.3.4 Poor Managerial Skills

Most owners do not have the require skills to successfully run the organization. More importantly there are no avenues for training to improve their skills.

3.3.5 Inadequate Information Base

Small business enterprises are characterized by poor record keeping and there are no institutional support facilities for them to have access to require information for effective planning and management purposes.

3.3.6 Inadequate Infrastructure

Facilities that are needed as support base to start, run a business successfully and to grow are grossly inadequate. In some cases these facilities have to be provided by the owners of the enterprises.

3.3.7 Lack of Raw Materials

In some cases, needed raw materials are sourced externally. Hence the fate of such establishment is tied to the availability of foreign exchange, fluctuation in the exchange rate and strict government policy for accessing the foreign exchange.

3.3.8 Poor Accounting System

Most small scale enterprises do not keep proper records and in some cases none is kept. It is therefore difficult to assess and evaluate their viability and package them for external credit facilities.

3.3.9 Unstable Policy Environment

Constant changes in government policy destabilize or lead some small business enterprises folding up. Some of these policies are not only contradictory sometimes they are out rightly discouraging.

4.0 CONCLUSION

The importance of small business enterprises are extensive but the problems of small business enterprises cannot be overlooked as it shows the area where business owners and the government work on in order have more successful enterprises.

5.0 SUMMARY

In this unit, we discussed the importance of small business enterprises and their importance on the economic development of where they are located. We also discussed the problems of small business enterprises.

6.0 TUTOR MARKED ASSIGNMENT

1. List 5 ways small business enterprises can influence the economic development of a place?
2. What are the problems facing small business enterprises?

7.0 REFERENCES AND FURTHER READING

Mbadiwe Ukaegbu (2005). Small business and entrepreneurship management. Nile Ventures, Lagos. pp 8 and 54-55.

UNIT 4 A CONCEPT OF INNOVATIVE BUSSNESS IDEAS AND BUSINESS OPPORTUNITIES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Defining An Idea
 - 3.2 What is an opportunity?
 - 3.3 What is a business idea?
 - 3.4 Business Opportunities
 - 3.5 Means to discover business ideas
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the need for small business enterprises. The funny thing is that many budding entrepreneurs don't even know the differences between a business idea and a business opportunity; and as a result, they use both terms interchangeably. A blunder that makes you sound dumb! I mean, what's more ridiculous than not knowing the in-depth meaning of terms that are used every day and you are gearing up to start your own business? In this unit, we will be talking about the **concept of** business ideas and business opportunities.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- explain an Idea
- discuss is an opportunity?
- describe business idea?
- Explain Business Opportunities
- Describe how to discover business ideas

3.0 MAIN CONTENT

3.1 DEFINING AN IDEA:

Look within ourselves and examine your skills, talent, passion In fact, one of the first places to start when looking for business ideas or opportunities is to look within yourself. Most people miss this greatest source of business ideas because of

ignorance, laziness and self-doubts. Keep up with current events and be ready to take advantage of business opportunities. Social happenings, events and parties are also sources of business ideas. If you are exposed to reading and watching news regularly and having the conscious intent of discovering business ideas, you will be amazed at how many business opportunities that your brain will generate. Keep up with current events because it will assist you to identify market trends, new fads, information about industries and sometimes new ideas that have business possibilities and potentials. Invent a new product or service. Do you possess a creative mind? Then you can invent product or services that have never existed in the past. The key to arriving at business ideas for a new product or service is to identify a market need that has not been met. Add value to an already existing product. The uniqueness between raw wood and finished lumber is a nice instance of putting a product through an additional process which maximizes its value, but additional processes are not the only way that value can be added. You may as well add services or combine the product with other related products. Bottled water has been in existence in Nigeria but it was on the high side with respect to price. However, somebody sat down and thought up the “sachet water” which comes at an affordable rate. Franchising. A franchise is just an arrangement whereby the manufacturer or the sole distributor of a trademark, product or service grants exclusive rights for local distribution to independent retailers in return for their payment of conformity and royalties in order to standardize operating procedures. Franchising may take several forms, but the most interesting one is the type that offers a name, method of running business, image and operating principles. How can franchising become a source of business opportunities? You can look at good companies or products that exist in other countries but are not operating your country. Then you can purchase a franchise to that product and become a pioneer in your country. Mass media - the mass media is a wonderful source of information, ideas and often opportunities. Magazines, TV stations, Cable networks, radio, newspapers and internet resource sites are all instances of mass media. Also, articles in the printed press or on the net or documentaries on television may report changes in consumer needs or fashions. For instance, you may read or hear that people are now highly interested in healthy eating or physical fitness. You may as well discover advertisements calling for the provision of certain services depending on skills.

3.2 What is an opportunity?

3.2.1 Opportunity

The word *opportunity* is used to discuss about a situation in which one can do something that he/she wants to do. Opportunity is an exploitable set of circumstances with uncertain outcome, requiring personal commitment, resources and involving exposure to risk. Opportunities arise from a wide variety of circumstances ranging from change, chaos, confusion, inconsistencies, ambiguity, uncertainty, etc. When seeking for opportunities it is better to look for opportunities that are recently created and have not been exploited.

Opportunity begins as an initial idea that entrepreneurs develop. Development of opportunities requires initiative, effort and creativity. Most business opportunities do

not occur suddenly but they are results of the entrepreneur's attention, which he/she devotes to these opportunities. The decision-making on which area a business shall be carried on usually requires careful consideration. Entrepreneurs can pursue the opportunities in any field because the opportunities are arising from the complex of the changing conditions of economic, legal, social, demographic and even from the changing conditions in the area of technology. Interaction of factors produces business opportunities at given times.

Therefore it is important that the entrepreneur knows which factor creates opportunity because regardless of the source of origin every opportunity shall be carefully examined and evaluated. Opportunity must also match the personal qualities and goals of the entrepreneur.

3.3 What is a business idea?

A business idea is a concept that can be used to make money. Usually it centers on a product or service that can be offered for money. An idea is the first milestone in the process of founding a business. Every successful business started as someone's idea.

Although a business idea has the potential to make money, it has no commercial value initially. In fact, most business ideas exist in abstract form; usually in the mind of its creator or investor and not all business ideas, no matter how brilliant they may seem, would end up being profitable. To find out about an idea's chances in the market and check its innovative content and feasibility, you need to conduct a plausibility check.

The acceptability and profitability of a business idea hinges largely on how innovative the idea is. Being innovative means using conventional production or distribution methods that have rarely been adopted before. In fact, the entire business system could be innovated. For example, FedEx revolutionized mail post services through 24-hour operation and very quick delivery worldwide. The company therefore adopted an innovative system, which eventually spurred it to becoming one of the world's leading mail and parcel delivery services. However, even more important is the benefit that a business idea promises to offer customers. Such benefits could be passed on to customers in the form of reduced costs. (We all like to buy quality for less). So, any business idea that, at least, focuses on lowering costs would most likely be profitable in the long term.

3.4 Business Opportunities

In general sense, the term opportunity implies a good chance or a favourable situation to do something offered by circumstances. In the same vein, business opportunity means a good or favourable change available to run a specific business in a given environment at a given point of time (Shinha 2015). Agu (2011) defines business opportunity as an attractive idea or proposition that provides the possibility of a return for an individual who takes the risk of using the idea to solve an identified problem of individuals or society.

Business opportunities have received considerable attention in recent years, owing to

unemployment, the decline of job security and the increasing number of individuals who have lost jobs due to corporate downsizing. Still others seek second jobs in order to satisfy their needs.

Definition of business opportunity varies because the term means different things to different people. A business opportunity can also involve the sale of foods or services that enable the entrepreneur to begin a business (Perez, 2016). Under some countries federal law, the promoter of such business opportunity is required to provide potential investors with complete pre-sale information in the form of a disclosure document. Some countries impose additional licensing and disclosure requirements.

3.5 Means to discover business ideas

Exhibitions, Expos and Trade show another means to discover business ideas and opportunities is to attend exhibitions and trade fairs. These are usually advertised on the radio or in newspapers. By visiting such events regularly, you will not only find out new products and services, but you will as well meet sales representatives, wholesalers, distributors, manufacturers and franchisers. These are always excellent sources of ideas in business. Industrial Surveys

The main point for a new business idea should be the customer. The needs and wants of the customer, which will provide the rationale for a product or service, can be analyzed or ascertained through a survey. Such a survey may be conducted formally or informally by speaking to people; usually through interviews or using a questionnaire or through observation. Listen to customers complaints Complaints and frustrations on the part of customers have led to many new products or services. Whenever consumers complain badly or bitterly concerning a product or service, or when you hear someone saying “I wish there was ... “or “If only there were a product/service that could ... “, then, you have the potential for a business idea. The idea can be to set up a rival company offering a better product or service, or it may be a new product or service which can be sold to the company in question or to others.

Brainstorming

Brainstorming is a creative problem-solving technique, and also a source for generating ideas. The object is to arrive with as many ideas as possible. It usually begins with a question or problem statement. For instance, you may ask “What are the products and services required in the home today which are unavailable?” Each idea can lead to one or more additional ideas, resulting in a good number.

4.0 CONCLUSION

In this unit, we have explained the business idea and business opportunities, the world is filled with brilliant ideas but the world lacks entrepreneurs who have the capacity to turn such ideas to profitable business opportunities. It is one thing to develop an idea, but it is an entirely different ball game to turn an idea into a business opportunity.

5.0 SUMMARY

This unit has treated the explained an Idea, discussed is an opportunity, described business idea, explained business opportunities finally the describe how to discover business ideas.

6.0 TUTOR-MARKED ASSIGNMENT

1. Discuss an Idea?
2. What is an opportunity and business opportunities?
3. What business idea?
4. List and explain how to discover business ideas?

7.0 REFERENCES/FURTHER READINGS

Ajonbadi, H.A (2000) *Applied Business Management Theory*, Vantage Publishing, Lagos

Agu, R.A (2011). *Entrepreneurial Development and Small Business Management*. EBS Lecture pack.

Arkanass, Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Musselman. V.A and Ughes, E.H (1981). *Introduction to Modern Business Analysis and Interpretation*. Englewood Cliffs N.J.: Prentice Hall Inc.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh,

B.C.E.C., Orga, C.C and Abraham, D. *Introduction to Entrepreneurship Development (Theory)*.Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Otokiti, S.O(2005) *Business Management*, Pumak Publishing, Lagos

Oyedijo, A., Oladele, J. and Olumoko, Y. (2008) *Entrepreneurship and Small Business*. Strategic-international press ltd, Lagos.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business/identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>

Unamla, P.C. and Ewurum, U.J.F (1995). Business Administration. Precision Printers and Publishers. Business Ideas vs. Business Opportunities: What is the Difference

UNIT 5 DIFFERENCE BETWEEN BUSINESS IDEAS AND BUSINESS OPPORTUNITIES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 The Difference Between Business Ideas And Business Opportunities
 - 3.2 An Opportunity Is Regarded As One After It Has Been Found To Meet The Following Criteria:
 - 3.3 Characteristics of Business Idea
 - 3.4 A Successful Business Idea Must Meet the Following Three Conditions
 - 3.5 How Do You Turn A Business Idea Into An Opportunity
 - 3.6 Five Basic Elements Of The Recipe To Turn Ideas Into Tangible Opportunities
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the need for small business enterprises. The funny thing is that many budding entrepreneurs don't even know the differences between a business idea and a business opportunity; and as a result, they use both terms interchangeably. A blunder that makes you sound dumb! I mean, what's more ridiculous than not knowing the in-depth meaning of terms that are used every day and you are gearing up to start your own business? In this unit, we will be talking about the difference between business ideas and business opportunities.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Differentiates between Business Ideas and Business Opportunities
- Explain how an Opportunity Criteria:
- Describe characteristics of Business Idea
- Explain the three conditions a Successful Business Idea Must Meet
- Describe how do you turn a Business idea into an Opportunity
- Mention the **five basic elements** of the recipe to turn ideas into tangible opportunities

3.0 MAIN CONTENT

3.1 The Difference Between Business Ideas And Business Opportunities

Now for those who are yet to identify the difference between a business idea and opportunity, I want you to know that they are not the same; and this article will help you understand the difference.

A business opportunity on the other hand is a proven concept that generates on-going income. In other words, a business opportunity is a business idea that has been researched upon, refined and packaged into a promising venture that is ready to launch.

While multiple business ideas may strike you on a daily basis, only few of them will be profitable in the long run based on market research and feasibility study conducted. These few are the real business opportunities.

Major difference between an idea and an opportunity is that you can sell a business opportunity, but you cannot sell an idea (*it is not entirely impossible but it's difficult*). Colonel Sanders tried for many years to sell his chicken recipe idea but no one listened to him until he repackaged it and KFC (*Kentucky Fried Chicken*) was born. The moral of this lesson is that investors invest in business opportunities and ventures, not business ideas.

3.2 An opportunity is regarded as one after it has been found to meet the following criteria:

- It must have high gross margins.
- It must have the potential to reach break-even cash flow within 12 months – 36 months.
- The startup capital investments must be realistic and within the range of what you can provide.
- You must have the strength and ability needed to drive the business to success.
- Your level of enthusiasm for the business must be very high.
- It must have the potential for residual income.
- It must have the potential to keep on improving with time.
- It must have a low level of liability risk.

After you have refined and packaged your business opportunity in your mind, you can have it documented by writing a business plan. You can then either implement on your own or sell it to someone else for profit (*probably because you cannot afford the capital required to flag off the business*).

3.3 CHARACTERISTICS OF BUSINESS IDEA

A promising business idea must have the following characteristics:

- Relevant (must fulfill customers' needs or solve their problems)
- Innovative

- Unique
- Clear focus
- Profitable in the long run

The acceptability and profitability of a business idea hinges largely on how innovative the idea is. Being innovative means using conventional production or distribution methods that have rarely been adopted before. In fact, the entire business system could be innovated.

For example, FedEx revolutionized mail post services through 24-hour operation and very quick delivery worldwide. The company therefore adopted an innovative system, which eventually spurred it to becoming one of the world's leading mail and parcel delivery services.

However, even more important is the benefit that a business idea promises to offer customers. Such benefits could be passed on to customers in the form of reduced costs. (*We all like to buy quality for less*). So, any business idea that, at least, focuses on lowering costs would most likely be profitable in the long term.

3.4 A SUCCESSFUL BUSINESS IDEA MUST MEET THE FOLLOWING THREE CONDITIONS:

1. It must offer benefit to the customer by solving a problem or fulfilling a need. Customers buy products and services for just one reason; to satisfy a need. So, if your business idea cannot satisfy customers, it won't be successful. Every successful business idea must have a unique selling proposition.
2. It must have a market that is willing to accept it. A promising business idea must offer a product or service that would be accepted by a large market. It must also have feasible arrangements for catering to that large market as well as unique values that differentiates it from the competition.
3. It must have a mechanism for making revenue. A successful business idea must show how much money can be earned from it and how the money will be earned. Having discussed in full detail what a business idea means, let's now look at "business opportunity."

3.5 HOW DO YOU TURN A BUSINESS IDEA INTO AN OPPORTUNITY

Now how do you turn a business idea into an opportunity? Well, you can turn a business idea into a business opportunity by conducting market research and feasibility study on your idea, writing a business plan and assembling a business team that will work with you on your idea. Only then will such idea become an opportunity that will attract investors and probably get the needed financing.

'A business idea may or may not be a business opportunity'

Startups may fail and even tall businesses may fall. While there are many factors that decide the fate of big and small companies, identifying ideas and opportunities is what makes it worthwhile to run a business.

Let us try to understand the difference. An idea is like a seed, an impression of a concept or a notion that revolves around seemingly successful *product or service*. A thought that needs some amount of commercial validation before it shapes self into an opportunity. Opportunity is the care and nurturing that a gardener has to endeavor for to turn the seed into a sapling and then allow it to grow into a tall tree. The gardener ensures that it gets good soil, sunshine, proper environment and protection from harsh rains or weather conditions.

A business idea may not necessarily be a business opportunity; one needs to filter and sift through these ideas to realize whether they are real opportunities. Most of the times, these ideas remain dormant because of the lack of courage, resources, time and money or mere inability to take action. And those who show courage to take action generally see their dreams go off track due to lack of far sighted vision or lack of preparedness. The business owner or the management must own the responsibility of its success or failure regardless of the circumstances. Successful entrepreneurs are good at turning ideas into opportunities. They act. They execute to make it all happen. It takes time, resources and hard work. The canvas to paint your idea is large and enormous. You can take an idea from a secret pickling recipe to space tourism, and use the **five basic elements** of the recipe to turn ideas into tangible opportunities that further allow you to make work plans.

3.6 FIVE BASIC ELEMENTS OF THE RECIPE TO TURN IDEAS INTO TANGIBLE OPPORTUNITIES

The five basic elements of the recipe to turn ideas into tangible opportunities that further allow you to make work plans are:

1. **Strategic Fit:** To understand what the market needs and realistically take account of capabilities you have to be able to provide it.
2. **Business Plan:** The process of writing a business plan actually helps develop an idea into an opportunity. It forces you to ask and answer hard questions and explore your options.
3. **Team:** An idea rarely becomes an opportunity without a team. No individual has all the knowledge and skills necessary to make the transformation.
4. **Leadership:** Once you have a team, the right leadership is essential to guide the development from idea to opportunity.
5. **Resources:** The planning process will give you a good idea of the resources that will be required to turn your idea into an opportunity.

To make it more relevant, let us consider the example of Uber Cabs. There was an innate need of taxis with best affordable prices across the world. Here in Nigeria (Lagos and Abuja), the capital city needs a lot of both public and private transport options all the time. Uber and Tasifier had the idea to fill this void with its very uber and Tasifier cool android based application available on Google play and it is changing how technology can be put to everyday use. Globally business plans must

have been written well in tandem with market specific feedback. Creation of its team and the availability of drivers is what they had to quickly sort. The visionary team also invested to make the application more robust yet easy to use. We may expect in sometime to hear if they plan to add their own fleet of cars like Ola to keep utilizing the opportunities.

4.0 CONCLUSION

In this unit, we have explained the business idea and business opportunities, the world is filled with brilliant ideas but the world lacks entrepreneurs who have the capacity to turn such ideas to profitable business opportunities. It is one thing to develop an idea, but it is an entirely different ball game to turn an idea into a business opportunity.

5.0 SUMMARY

This unit has treated the Difference between business ideas and business opportunities, an opportunity is regarded as one after it has been Found To Meet The following criteria, characteristics of business idea, a successful business idea must meet the following three conditions, how do you turn a business idea into an opportunity and five basic elements of the recipe to turn ideas into tangible opportunities.

6.0 TUTOR-MARKED ASSIGNMENT

1. Differentiate Between Business Ideas and Business Opportunities.
2. List and explain Criteria an Opportunity found to meet.
3. Mention and discuss Characteristics of Business idea
4. Discuss successful business idea conditions must meet
5. How do you turn a Business Idea into an Opportunity discuss?
6. List and explain five basic elements of the recipe to Turn ideas into tangible Opportunities.

7.0 REFERENCES/FURTHER READINGS

Ajonbadi, H.A (2000) *Applied Business Management Theory*, Vantage Publishing, Lagos

Otokiti, S.0(2005) *Business Management*, Pumak Publishing, Lagos

Oyedijo, A., Oladele, J. and Olumoko, Y. (2008) *Entrepreneurship and Small Business*. Strategic-international press ltd, Lagos.

Unamla, P.C. and Ewurum, U.J.F (1995). *Business Administration*. Precision Printers and Publishers. Business Ideas vs. Business Opportunities: What is the Difference

MODULE 2

UNIT 1	Identification of Business Opportunity
UNIT 2	Evaluation, Steps And Guideline Of Business Opportunities
UNIT 3	Types of Business Opportunities for Entrepreneurs
UNIT 4	Business Plan
UNIT 5	Creative Entrepreneurship

UNIT 1 IDENTIFICATION OF BUSINESS OPPORTUNITY

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	Identification of Business Opportunity
3.2	Sources of idea
3.3	Prospective entrepreneur can get ideas for establishing his/ her enterprise from various sources.
4.0	Conclusion
5.0	Summary
6.0	Tutor Marked Assessment
7.0	References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about Differentiates between Business Ideas and Business Opportunities, explain how an Opportunity Criteria, described characteristics of Business Idea, explained the three conditions a Successful Business Idea Must meet, described how do you turn a Business idea into an Opportunity and mentioned the **five basic elements** of the recipe to turn ideas into tangible opportunities. In this unit, we will be talking about the identification of business opportunity.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Identifying Business Opportunity
- Describe sources of idea
- explain how Prospective entrepreneur can get ideas for establishing his/ her enterprise from various sources.

3.0 MAIN CONTENT

3.1 Identification of Business Opportunity

Identification and selection of a suitable and viable business opportunity is first thing. This is because if we ask any intending entrepreneur what project product he/she will select and start as an enterprise, the obvious answer he/she would give is the one that have a good market and is profitable. Identification business opportunity starts with:

(i) *Idea Generation and Opportunity*: Idea generation represents the creative process of generating, developing, and communicating new ideas, while an idea is understood as a basic element of thought that can be visual, concrete, or abstract. Opportunity identification and selection are akin to 'new product development' in marketing terminology. Product or opportunity identification and selection process starts with the generation of ideas or ideas about some opportunities or products that are generated in the first instance. Opportunity identification and selection are like corner stones of business enterprise. BUI how could one without knowledge about the product know its market. The problem often lies in the choice of the product or project. To overcome the problem of product identification and selection is to find out how the existing entrepreneurs identified the opportunity and set up their enterprises. Shinha (2015) reveals that entrepreneurs select their products or projects based on some factors:

- (i) Their own or partners' past experience in that business line;
- (ii) The Government's promotional schemes and facilities offered to run some specific business enterprises;
- (iii) The high profitability of products;
- (iv) Increasing demand for the product in the market;
- (v) The availability of inputs like raw materials, labour, etc. at cheaper rates;
- (vi) The expansion or diversification plans of their own or any other ongoing business known to them; and
- (vii) The products reserved for small-scale units or certain locations.

Therefore, one of the ways employed by most of the intending entrepreneurs to select a suitable product/project is to firstly generate ideas about a few products/projects.

3.2 SOURCES OF IDEA

Sources of Idea: The idea of opportunities or products can be generated from various sources: internal and external or from formal or informal. These may include the followings:

- i. Knowledge of potential customer needs,
- ii. Watching emerging trends in demands for certain products, Scope for producing substitute product,
- iii. Going through certain professional magazines catering to specific interests like electronics, computers, etc.,
- iv. Success stories of known entrepreneurs or friends or relatives,

- v. Making visits to trade fairs and exhibitions displaying new products and services,
- vi. Meeting with the Government agencies, Ideas given by the knowledgeable persons,
- vii. Knowledge about the government policy, concessions and incentives, list of items reserved for exclusive manufacture in small-scale sector,
- viii. A new product introduced by the competitor, and
- ix. One's market insights through observation .

Also a prospective entrepreneur can get ideas for establishing his/ her enterprise from various sources. These may include consumers, existing products and services presently on offer, distribution channels, the government officials, internet, Research and Development (R&D).

3.3 Prospective Entrepreneur Can Get Ideas For Establishing His/ Her Enterprise From Various Sources.

A brief description on each of these follows:

- (a) *Consumers:* No business enterprise can be thought of without consumers. Consumers demand for products and services to satisfy their wants. An entrepreneur needs to know what the consumers actually want so that he/she can offer the product or service.
- (b) *Existing products and services:* One way to have an enterprise idea may be monitoring the existing products and services already available in the market and making a competitive analysis of them to identify their shortcomings and then, based on it, decide what and how a better products and service can be offered to the consumers.
- (c) *Distribution Channels:* Distribution channels known as market intermediaries, serves as a very effective source for new ideas for entrepreneurs. This is because they deal directly with the consumers and can better understand the consumers' wants. The channel members include wholesalers and retailers who can provide ideas for new product development and modification in the existing product.
- (d) *Government:* A prospective entrepreneur can also get enterprise idea from the publications of patents available for license or sale. Besides, there are some governmental agencies that assist entrepreneurs in obtaining specific product information. Such information can also become basis for enterprise formation.
- (e) *The Internet:* The internet provides a means that enables higher levels of communication between people, companies and countries throughout the world. The internet by far is the greatest business opportunity that you can explore to grow your business.
- (j) *Research and Development:* Research and Development (R&D) activity can be carried out in-house or outside the organization. R&D activity suggests what and how a new or modified product can be produced to meet the customers' requirements.

4.0 CONCLUSION

In this unit, we have explained the identified Business Opportunity, Describe sources of idea and explained how Prospective entrepreneur can get ideas for establishing his/her enterprise from various sources.

5.0 SUMMARY

This unit has treated and identified Business Opportunity, Describe sources of idea and explained how Prospective entrepreneur can get ideas for establishing his/her enterprise from various sources.

6.0 TUTOR-MARKED ASSIGNMENT

1. How do you Identify Business Opportunity
2. What are the sources of idea?
3. explain how Prospective entrepreneur can get ideas for establishing his/her enterprise from various sources.

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

UNIT 2 EVALUATION, STEPS AND GUIDELINE OF BUSINESS OPPORTUNITIES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Evaluation of Business Opportunities
 - 3.2 Steps to evaluating business opportunity
 - 3.3 Guidelines for Evaluating Business Opportunities
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about Identifying Business Opportunity, described sources of idea, and explained how Prospective entrepreneur can get ideas for establishing his / her enterprise from various sources. In this unit, we will be talking about the evaluation of business opportunities.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- describe Evaluation of Business Opportunities
- list steps to evaluating business opportunity
- illustrate the guidelines for Evaluating Business Opportunities

3.0 MAIN CONTENT

3.1 Evaluation of Business Opportunities

Entrepreneurs have begun and failed at new businesses. Most entrepreneurs actually fail to fully analyze and evaluate business ideas and opportunities in the first place. Whether starting a small business from scratch or purchasing an existing company or franchise, one needs to take steps to evaluate the business's potential and one's abilities to make it successful. The investigation must be thorough, in analyzing the risks and benefits of the opportunity created.

3.2 Steps to evaluating business opportunity.

The five steps to evaluating business opportunity have been identified by *Ray (2015)*.

- (a) *Self-Analysis*: Considering the Willingness to take risks as well as the amount

of time and energy one needs to make the business a success. While most small businesses fail is because of poor management and the owner's inability to manage resources.

(b) *Financial Components*: evaluation of one's resources and availability of finance.

(c) *Market Research*: conducting feasibility of the project to determine its viability and ascertain the existence of customers for the product or service; and what kind of competition exists.

(d) *Risk Assessment*: including factors that could negatively affect the business, such as the general state of the economy competitiveness, health, the level of credit available.

(e) *Support*: evaluate the amount of support expected from family, friends and government.

3.3 Guidelines for Evaluating Business Opportunities

The guidelines for evaluating business opportunities are:

1. Evaluation of own capabilities and abilities.
2. Determine to run the business enthusiastically.
3. Having complete knowledge of the product or service with which you are involved.
4. Market evaluation of the product or service to be offered. There must be need for the product.
5. Find from previous owners how successful the business has been for a period of time.
6. Determine the training and experience required to run the venture properly.

Before a person decides whether a business opportunity is suitable and which one should be viable, certain information are needed to make an informed decision on what kind of opportunity is the best. Some factors to consider when choosing a business are the initial investment, capital requirements, business financing, current trends and the amount of time it will take to get the business plan and running.

4.0 CONCLUSION

In this unit, we have explained evaluation of Business Opportunities, illustrates Steps to evaluating business opportunity and guidelines for Evaluating Business Opportunities.

5.0 SUMMARY

This unit has treated and evaluation of Business Opportunities, steps to evaluating business opportunity and guidelines for Evaluating Business Opportunities.

6.0 TUTOR-MARKED ASSIGNMENT

1. How do you Evaluation of Business Opportunities
2. List and explain Steps to evaluating business opportunity
3. What are the guidelines for Evaluating Business Opportunities?

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

UNIT 3 TYPES OF BUSINESS OPPORTUNITIES FOR ENTREPRENEURS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Types of Business Opportunities for Entrepreneurs
 - 3.2 Lists of services in different sector that could be ventured into
 - 3.3 Offline Business Opportunities
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

The last unit treated the evaluation of Business Opportunities, steps to evaluating business opportunity and guidelines for Evaluating Business Opportunities. In this unit, we will be talking about the types of business opportunities for entrepreneurs.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Identify types of Business Opportunities for Entrepreneurs
- Illustrate services in different sector that could be ventured into
- Explain offline Business Opportunities describe Evaluation of Business Opportunities

3.0 MAIN CONTENT

3.1 Types of Business Opportunities for Entrepreneurs

Many business opportunities abound everywhere only if one is creative enough to discover them. Opportunities in them need to be discovered not merely at the surface but in-depth. Opportunities could also be created originally from one's idea, creativity and innovation. There are many entrepreneur opportunities one may choose. The different types of business opportunities are discussed below:

- (i) **Buy a Franchise:** This involves having an opportunity to start your business on already set-up business. It is expected that such entrepreneurs buy a Franchise opportunity. A franchise is an existing business with a solid business *Identification and Evaluation of Business Opportunities*

(ii) *Distributorship or Dealership:* An important business opportunity is with distributorships and dealerships. A distributor is a person or business agent that has an agreement to sell products or services produced by another company.

(iii) *Network Marketing:* In addition to distributing the product or services offered by the parent company, a network marketer also endeavours to recruit other distributors, hence creating a network of distributors and earning considerable income through residual commission.

(iv) *Licensing:* Opportunity exists through licensing; which offers an entrepreneur the right to be creative and invent product or service, but retaining the name brand, icon or trademark of the widely recognized business.

(v) *Finding and Filling a Niche:* Another area where opportunities find attraction to the entrepreneur is in finding or filling a small niche. A niche is small area where a business opportunity is likely to bring profit. A well-timed product or service has a greater likelihood of success in the market. Marketing the right idea into the right niche at the right time is an awesome combination.

3.2 Lists of services in different sector that could be ventured into

Below are lists of services in different sector that could be ventured into:

Agric Resources:

- (i) Cereals: Rice, Wheat Etc
- (ii) Plantation: Rubber, Palm, Cashew, etc.
- (iii) Spices: Ginger, Pepper, Etc
- (iv) Oiled Seed: Groundnuts, Soya Bean, Mustard. etc. (v) Fruits: Orange, banana, mango. e.t.c.

Forest Resources: can be renewable and non-renewable. Renewable: leaves, fruits, barks and flower and Non-renewable: Timber.

Fish farming, snail farming, poultry farming, domestic farming, animal farming e.g. rabbit, sheep, goat, pig and other ruminants, crop farming e.g. rice, bean, yam, etc, grass cutter farming, mushroom farming, honey production, cassava processing for starch and garri, palm oil mill, etc. These could be produced in commercial quantities.

Computer Science & IT

Below are lists of services in the computer and IT sector that one could venture on. Operating a cyber cafe, designing software for use in schools, bookshops, families etc. Computer Training, IT training and consultancy, designing software to be used as tutorial lessons, computer graphic design, business center. designing a website for job recruitment services.

3.3 Offline Business Opportunities

Book publishing, educational teaching aid, bookshop and stationary store, electronic store and repairs, article writing, selling, online, advertisement on ones website, printing and lithographic, writing business plan for people, estate agent (property managers, land, waste management services), digital photography, solar panel sales & installation, magazine publishing, song writing/movie writing, supermarket/general merchandise, building materials and block industry, soap production, recharge card/phone business, tailoring and clothing, repair services, textile production, transportation business, restaurant and fast food services, water bottling and packaging, pesticide and insecticide formulation, event management, and landscaping.

This is right time to take a concrete decision of becoming a business owner or an entrepreneur. Opportunities abound. As individuals we have something to offer to the society. The current information age is the knowledge age that offers innumerable opportunities for us. Knowledge is power. Hosea 6vs 4:

The internet by far is the greatest business opportunity that you can explore to grow your business.

One other unique factor of having your business online is that your business is not leverage by time. This implies that your business is not controlled by time. And your online business or store remains open for every day of the year. That's the POWER of the INTERNET. This invariably means that your online business does not have to concentrate on local markets -and almost no place is out of reach. If your business has a website, it means it is accessible by the global market. This is a vital advantage that online businesses have over offline businesses.

The INTERNET is a huge Market place that has attracted all forms of businesses with it's potential for big-time, high revenues with time. The success of small businesses grow very fast due to the high potential of internet presence. You can just sell about thing - as long as you have a product that has a market and mostly because the right product sells itself.

4.0 CONCLUSION

Identifying available opportunity is not an easy task if an entrepreneur doesn't familiarize himself or herself with the different sector available within the economy.

5.0 SUMMARY

This unit has treated types of business opportunities for entrepreneurs and the lists of services in different sector that could be ventured into.

6.0 TUTOR-MARKED ASSIGNMENT

1. How do you Evaluation of Business Opportunities

2. List and explain Steps to evaluating business opportunity
3. What are the guidelines for Evaluating Business Opportunities?

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbtdc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business/identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>

UNIT 4 BUSINESS PLAN

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Definition of Business plan
 - 3.2 List the components of a business plan
 - 3.3 How to prepare, plan, define and implement a business idea
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about types of business opportunities for entrepreneurs and the lists of services in different sector that could be ventured into. In this unit, we will be talking about business plan and how to create a business plan.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Define business plan
- List the components of a business plan
- How to prepare, plan, define and implement a business idea

3.0 MAIN CONTENT

3.1 Definition of Business plan

A business plan is a document demonstrating the feasibility of a prospective new business and providing a roadmap for its first several years of operation.

Business plans are an important part of creating new businesses, whether as a startup or an offshoot of an existing business. Although the specifics may vary, here are the typical components of a business plan for a new business:

1. The executive summary is a nutshell version of the entire plan, briefly covering the essentials.
2. The business description describes the proposed new endeavor, explains its purpose and its target market.
3. The plan's market analysis section describes the industry and the market environment of the proposed business, including a profile of the competition.
4. The organizational and managerial section explains how you envision the

structure of your business, what type of positions and departments it will encompass.

5. The products (or services) section details what you're offering. This section should include a full description of the products you'll sell and your plan for product life cycle management (PLM).
6. The marketing and sales section explains your strategies for branding, marketing and selling your product or service.
7. The funding request will differ according to what type of information is required by the funding party.
8. The financial projection covers the expected performance and milestones over the first years of operation, usually five years. For an existing business, historical financial data should be included.
9. An appendix can include useful information that doesn't belong in any of the other sections.

A business plan is similar to a business model. However, the latter is a representation of how an existing business works, rather than how a prospective business can work.

3.2 How to prepare, plan, define and implement a business idea

Business ideas are all within you and within your environment. Some of these business ideas emanate from analysis of market and consumer needs, while others emanate from a long research process plan and process already in place. An entrepreneur can operate a new business under a recognized business name and receive support from the franchise headquarters with marketing, promotional materials, new business products or services, etc.

Typical structure for a business plan for a start-up venture

- cover page and table of contents
- executive summary
- mission statement
- business description
- business environment analysis
- SWOT analysis
- industry background
- competitor analysis
- market analysis
- marketing plan
- operations plan
- management summary
- financial plan
- attachments and milestones

4.0 CONCLUSION

Business plans are decision-making tools. The content and format of the business plan is determined by the goals and audience. Venture capitalists are primarily concerned about initial investment, feasibility, and exit valuation. A business plan for a project requiring equity financing will need to explain why current resources, upcoming growth opportunities, and sustainable competitive advantage will lead to a high exit valuation. The success of a business is dependent on the quality of the business plan.

5.0 SUMMARY

In this unit, we defined a business plan, the major components of a business plan and the various ways of preparing a business plan.

6.0 TUTOR MARKED ASSIGNMENT

- 1) Define Business plan
- 2) What are the major components of a business plan?
- 3) List the ways to prepare a business plan

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business/identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>

UNIT 5 CREATIVE ENTREPRENEURSHIP

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Creative Entrepreneurship
 - 3.2 Social Entrepreneurship
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about Business plan, components of a business plan and how to create a business plan. In this unit, we will be talking about creative entrepreneurship.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Definition of Creative entrepreneurship
- Definition of Social entrepreneurship
- Explain how to be a social entrepreneur

3.0 MAIN CONTENT

3.1 Creative Entrepreneurship

Creativity is the innate ability, instinct, disposition and will to initiate a goal and strategically actualize the goal. Creativity is a key quality of every entrepreneur. Entrepreneurs are all those involved in self-employment is seizing available opportunities to generate or get involved in activities that could be realized for self-development and profit making. It is a fulfillment of a desire for an enterprise that could afford a comfortable life, promote goodwill, enhance leadership qualities, and consolidate economic gains. Naude (1999) observed that entrepreneurship is the unquantifiable force, which brings together labour and capital and assume the risks of production and distribution.

Self-employment therefore, can be summarized to mean the promotion of free enterprise and self-sufficiency by creating and spreading wealth to the generation and social progress. In general, this creative and self-employed person is known as an

entrepreneur. Moreover, the concept of entrepreneurship has been receiving loud ovation and monumental support especially in the civilized world.

Creative entrepreneurship is the practice of setting up a business – or setting yourself up as self-employed in one of the creative industries. The focus of the creative entrepreneur differs from that of the typical business entrepreneur or, indeed, the social entrepreneur in that s/he is concerned first and foremost with the creation and exploitation of creative or intellectual capital. Essentially, creative entrepreneurs are investors in talent – their own or other people's. The creative industries generate substantial economic impact - and this impact and growth is outpacing every other sector of the economy.

Data from around the world indicate the Creative Economy is the economy of the future.

CREATIVITY + TECHNOLOGY = EXPLOSIVE ECONOMIC GROWTH

Entrepreneurs, in general have always relied on their creativity to produce wealth, but the modern creative entrepreneur goes further. The value they create lies not in their physical products (if any) but in intangible assets such as their brand, reputation, network and intellectual property. They are adept at projecting a desired image and creating a personal brand, both online and offline. They also understand the principles of intellectual property law and use copyrights, trademarks, patents and licenses to exploit the full potential of their ideas. Creative entrepreneurs are not freelancers. Freelancers earn a living by doing paid work for clients, usually charging by the hour, day or project. Freelancers think in terms of “getting more work”.

Creative entrepreneurs think in terms of creating opportunities, producing results and making profits. This leads them to create systems and businesses that generate wealth and free up their time for their next big idea. Once upon a time, there was a young girl, who just wanted to draw pictures'. When she was 11, her family created a 'studio' for her by emptying out a linen closet, where she would sit and draw for hours, no matter how hot it was in summer. She grew up into a woman who wanted to draw pictures. She took a job at an ad agency and freelance commissions from clients but she was not satisfied 'drawing to order' for other people. So she started licensing her designs to greeting card companies and saw her levels of income and satisfaction rise. She branched out into other media and took on staff to help her. To this day, she still draws the originals of all her designs, before her staff 'reformats' them for licensed products including cards, calendars, T-shirts, mugs, books and animated films. One day her fame and personal brand were so well established that she was able to launch a national magazine bearing her name – Mary Engelbreit's “home companion”. Had she remained a freelancer or even become a contracted author, Mary Engelbreit would no doubt have made a comfortable living. But because she became an entrepreneur, licensing her art and building a business around it, she has achieved lifetime retail sales of more than \$1 billion. She has also touched the lives of millions

of people with her artwork, and partnered with the charity First Book to promote literacy by delivering millions of books to low income children.

3.2 Social Entrepreneurship

Social entrepreneurship is the process of pursuing innovative solutions to social problems. More specifically, social entrepreneurs adopt a mission to create and sustain social value. They draw upon appropriate thinking in both the business and non-profit worlds and operate in a variety of organizations: large and small; new and old; religious and secular; non-profit, for profit, and hybrid. What are the guiding questions, best practices, skills, and tools social entrepreneurs need in order to navigate a very challenging and often life-long vocation?

MOMENT OF OBLIGATION:

Why do I want to create change? Understanding our deepest motives and the values that both anchor and drive us is powerful, and not least because it helps us stay true and focused in times of confusion and exhaustion. For some, personal motivation comes out of a single transformative moment. For others, it's more of a slow burn, a growing conviction that change making is necessary to live a fulfilling life. Understanding your moment of "obligation" serves as a compass or a source of energy renewal during your life as a change maker.

EXPLORATION:

What are my options? Knowing the source of your desire to make change is valuable, but what do you do with it? You begin a phase of learning, sensing what the world needs and how that intersects with your own interests. Your strengths, weaknesses, blind spots, and core skills all come into play as you seek work that will contribute to the change you want to see in the world and make a living at the same time. Gradually—and this can take years—you come to know what you must do.

DECISION:

Am I ready to jump? People who have dedicated their lives to change making often have a story about the moment they actually decided to take a leap of faith and start walking their talk. Regardless of whether or you are born with privilege, the temptation to choose the "safe option" is a large and legitimate barrier. Change making is not for the faint of heart; it sometimes means putting your livelihood, even your own life, on the line. Starting a dialogue with our deepest fears and those of people we love takes courage and the ability to commit. It can mean switching careers immediately, or honing a craft or gathering new experience for a while before making a switch.

ACTION:

How do I make my vision come alive? The daily grind of social change work, which often brings more setbacks than victories, and the excruciatingly slow pace of genuine change requires that entrepreneurs carefully monitor their energy to avoid becoming prematurely cynical or utterly exhausted. The point is to stay “alive” in the process of doing the work you choose, while building grit, resilience, and stamina along the way. Importantly, the personal work involved in building these capacities also helps you better understand the how to change others’ mind-sets, and thus becomes another tool for effectively working for change.

TRANSFORMATION:

Who have I become now, and what’s next? The personal demands while leading social change shape us as individuals even as we shape a new world. Self-transformation is an inevitable part of social change work. Sometimes we change so much that we realise we must move on to a new project or career, which constitutes a new “moment of obligation,” and the cycle begins anew. The transformation phase also helps us reap the harvest of our work, and formulate lessons and insights that others begin to seek out from us as wisdom and teaching.

There are 3 easy steps to start with, if you are planning to become a social entrepreneur: Focus on the core. Passionate entrepreneurs can easily get trapped in all kinds of activities that distract from the essential. So when we are accelerating and find ourselves juggling too many balls at once, it’s wise to step back and review what’s really important. The secret of kung fu masters who can break through iron and bricks with a simple strike is that they focus their energy on a single point. Build a practice of renewal. Social change work can deplete energy rapidly. To conserve and replenish our energy, we need to develop practices of renewal; we need to do things that energize us. This will vary from person to person; it could be spending time with family, physical exercise, spiritual practices, artistic endeavours, being in nature, or simply reading a book on a weekend morning. Like an arrow, we need to “rest back” to race forward. Find your tribe. Finding “a tribe” of people who are making similar life choices is critical for sustaining your energy. This is why so many fellowships exist in the social entrepreneurship sector—there is tremendous value in being with people who understand where you are coming from and rejoice in seeing you grow.

4.0 CONCLUSION

In order to become a social entrepreneur there is a need to evaluate the moment of obligation, exploration, decision, action and transformation.

5.0 SUMMARY

In this unit, we discussed about the definition of creative entrepreneurship, definition of social entrepreneurship and the steps to take in order to become a social entrepreneur.

6.0 TUTOR MARKED ASSIGNMENT

- 1) Define creative entrepreneurship
- 2) Define social entrepreneurship

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbtdc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business/identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>.

MODULE 3

UNIT 1	Entrepreneurial Skills
UNIT 2	SWOT Analysis
UNIT 3	Problems of Entrepreneur
UNIT 4	Business Management Techniques
UNIT 5	Management Concepts

UNIT 1 ENTREPRENEURIAL SKILLS

CONTENTS

1.0	Introduction
2.0	Objectives
3.0	Main Content
3.1	The Entrepreneur and Skills Acquisition
3.2	Basic Desirable Skills
3.2.1	Accounting skills
3.2.2	Marketing skills
3.2.3	Management skills
3.2.4	Public relations skills
3.2.5	Communication skills
4.0	Conclusion
5.0	Summary
6.0	Tutor Marked Assessment
7.0	References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the definition of creative entrepreneurship, definition of social entrepreneurship and the steps to take in order to become a social entrepreneur. In this unit, we will be talking about entrepreneurial skills acquisition.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Identify types of Entrepreneurial skills
- List basic desirable skills

3.0 MAIN CONTENT

3.1 The Entrepreneur and Skills Acquisition

To many researchers and academics, the entrepreneur is the focal point and key to the dynamics of economic development and growth. It is the entrepreneur or self-

employed person that put together new combinations. Their actions have consequences on the basis of their organizational skills and creativity as decision makers. They identify distinctive opportunities, structures, setting, situation and other variables within which he decision and choices are made. Entrepreneurs are risk bearers. They are doers or action oriented, independent and always rely on their own ingenuity and energy to plan and accomplish desired result. An entrepreneur as the decision –maker in a particular cultural context commands a range of behaviours that exploit the identified opportunities. In developed economic of the world, the entrepreneur functions primarily as creator o innovations in the production process. Entrepreneurial role focuses more on the entrepreneur’s ability to create rather than to organize. Nwachukwu (2005) noted that an entrepreneur is any person who has the ability to see and evaluate business opportunities, gather the necessary resources to take advantage of them and initiate appropriate action to ensure success. Nwachukwu posited that a typical entrepreneur is a risk taker, a person who braves uncertainty, strikes out on his own through native wits, devotion to duty and singleness of purpose, somehow creates a business and industrial activities where none existed before. The entrepreneur is also regarded and recognized as a person who either undertakes the responsibility of making innovation in the economy by initiating the introduction of a new goods, new methods of production or distributions, opening of a new market, development of a new source of supply of raw material or carries out a new enterprise of any industry.

3.2 Basic Desirable Skills

Extensive research information available from more advanced countries of the world confirms the fact that there are desirable qualities which every person who aspires to be self-employed must possess before success can be achieved. Now that the world is a global village through technological break-through, growths and development, it follows that these factors are generally applicable irrespective of the environment to which they belong. To that extent, research efforts have further shown that all entrepreneurs tend to be people with tremendous amount of determined effort and commitment. They are person that are high in achievement motive-they love to make things happen and excel. Much as all those that seek to be self-employed must possess these qualities, there are yet some entrepreneurs to acquire those skills especially when one may not have been an expert or a professional in that area. The foundation of all successful entrepreneurs’ effort is good management, which is acquirable through training and education. The acquisition of right managerial skills and competences are very important.it is always advisable also for one to enter self-employment in areas where the person has interest, skills and knowledge. It provides great insight into the nitty-gritty of the business area as opposed to a novice. It has been established that possession of technical skills is not enough for entrepreneurial success, there is need that the entrepreneur acquire business management skills in addition.

In self-employment, there are actual risks which one must necessarily encounter. It includes the risk of the capital with which the business is started in the case of

failure; the risk of the family (wife/children) and friends when one gets 'choked' with business activities; the risks of hard emotional stresses as a result of business activities; the risk of hard emotional stresses as a result of business failures, disappointment, hypertension (stroke). However, the rewards of being self-employed include social recognition, satisfaction derivable through being one's own boss and in control of other person that now depend on one to realize economic gains.

It is important to observe that formal education assists a skilled entrepreneur in excelling in different areas of human endeavor. According to Onoh (2006) education is the improvement of the intellectual capabilities of the beneficiary, acquisition of some essential skills and a further elevation of the person from a position of low value or status to one of high value and recognition. Entrepreneurship as a matter of fact is the careful management of the introduction of goods and the provision of essential services for the maximization of profit bearing the attendant reasonable risks.

Entrepreneurs should be able to know how to employ the process of gathering both human and material resources needed for starting a business venture and for its sustenance. As managers of their establishment, entrepreneurs are involved in ensuring that the daily tasks are creditably, carefully and safely carried out. They should be able to ensure the smooth running of the enterprise so as to maximize profit, solve problems and plan for the future. For example basic accounting information and skills are very vital to existence and successful management of building trades industry by engineering entrepreneurs. Hence, an entrepreneur's success or otherwise, is solely dependent on one's ability to manage business opportunities. These opportunities compel the entrepreneur to assume responsibilities in making various sacrifices to keep the enterprise afloat. Engineering entrepreneurs fall within business managers as person who seeks out investment opportunities for the purpose of achieving economic goals as they provide goods and services needed by the society. Peculiar features of this group of entrepreneurs include the fact that they are the chief executives, motivators, crisis resolvers, leaders, role models and resource allocators in their own rights. They provide their own fund requirement for profitable daily running of the enterprise.

Three categories of expectations are demanded from all entrepreneurs. First, they are required to possess technical competence. This is the ability to be technically skilled in the rudiments of their field of training. Second, they must possess system competence that is, having the ability as good planners and organizers to show skills in fitting all components of the business together, in order to move the enterprise forward to the desired future. This category includes accounting skills, marketing skills, communication and public relations skills. Third, they must possess interpersonal competence. They should be able to relate well with the people working for them. These skills are acquirable through entrepreneurial education or training. Wayne (1998) stated that there exist a direct relationship between education acquired by a person and success as an entrepreneur. To be noted also is the fact that a person who receives entrepreneurship education have more knowledge with which to go into

self-employment and succeed. Moreover, self-employed entrepreneurs are individuals who perform the tasks themselves rather than assign their tasks to other people. Entrepreneurship education will help entrepreneurs have a clear definition of objectives and vision statement of their enterprises. The goals and vision of the entrepreneur should be stated right from the inception of the business. Such clear visions and definition of objectives can be described as the mental framework that gives rise to the future growth of an organization. Goals and vision statements are statements that state the purposes and future prospects of the establishment.

Onoh (2006) noted also that the mission and commission statement are the straight forward descriptions of their activities. Such statements are the clear overall ideas of what the ventures is all about. Onoh further argued that the mission statement of an entrepreneur defines what the entrepreneur wants to be. The commission statement defines the preparedness, commitment, devotion and discipline of the entrepreneur in order to realize the mission and vision goals. Following from the above, it will be difficult for entrepreneurs to articulate meaningful mission and vision goals without entrepreneurship skills. Note that entrepreneurship skills are acquirable through entrepreneurship education. Entrepreneurship education will help sharpen the innate capabilities, understanding, ideas, thoughts and talent of the entrepreneurs. It will help them to have good mission and vision goals that must be consistent with the commission goals to avoid confusion. This is because a consistent or coherent vision must encompass fundamental values touching on employees, customers, ethics, profits, products and the society as a whole in terms of good public relations. These fundamental values form the basis for the entrepreneur's overall sense of purpose and perception of his role in the world of paid services, as well as what image the entrepreneur wishes to project in the future.

Acquisition of these basic skills will boost their operational efficiency. It will empower the application of the arts of science in the management of their enterprises. The entrepreneurial function is the control and management of an enterprise. It adjusts the enterprise to the dynamic situation in which is being conducted, coordinating factors to achieve the maximum return of the capital invested by the entrepreneur to prudently manage their enterprises in the most profitable way. The basic entrepreneurship skills that could enhance the performance of an entrepreneur and guarantee success include the following:

- 1) Accounting skills
- 2) Marketing skills
- 3) Management skills
- 4) Public relations skills
- 5) Communication skills
- 6) Record keeping skills

3.2.1 Accounting Skills

An entrepreneur's success is measured by how profitable the enterprise or firm is and the growth it has recorded over the years. This is so, in taking cognizance of the fact

that these entrepreneurs are not experts in money management or financial control. In other words, they are technically competent by their education/skill training.

However, circumstances and situation arising from the day to day running of business necessitate that good accounting records must be kept with regards to their customers, business associates, financial institutions and general prudent financial management. It follows therefore that entrepreneurs need to know how much money that comes into the business every day or week, how to determine the selling price for their products, how much is spent every day week, month or year on raw materials, labor, utilities and other miscellaneous expenditures. Furthermore, the person needs to know how much should be drawn for personal and family use, so as not to liquidate the business. This is so because without them the entrepreneur can get up one day to discover that he has used up the working capital and can get up longer pay salaries of his staff, cannot repair or replace equipment, cannot purchase raw material as consumables and can no longer pay for other utility services. The knowledge of fundamental accounting competencies good financial management, which is aimed at ensuring that there is adequate cash on hand to meet the necessary current and capital expenditures as well as to assist in maximizing growth and profits. It requires knowledge of liquidity. Management of money demands that the entrepreneurs must plan for the most efficient way of putting to use acquired money from friends, family members, banks and other sources.

It has been observed that many skilled entrepreneurs had gone bankrupt as a result of poor financial management resulting from inadequate educational preparation. Appreciation of accounting functions and their uses will help them to improve on their public or outside image in terms of borrowing at favorable terms, it will assist the craftsmen entrepreneurs to anticipate and provide for seasonal fluctuations in cash inflows or outflows.

3.2.2 Marketing Skills

Marketing of products and services at a profit is the overall goal of every entrepreneur. The sole aim of marketing is to ensure that the product or services required by the customers or consumers are made available at affordable prices with a good profit margin. The implication according to Nwachukwu (2005) is that entrepreneurs must be able to determine the customers' needs and devise how best the need would be met; judiciously select the market to be served and identify the possible advantages at their disposal so as to be able to compete favorably with other competitors or have an edge over others.

The entrepreneurs need to know the markets and where they are located, plan for effective customer and products services, correctly price their products in order to make distribution channels and be able to carry out good advertising of their products with efficient sales promotion. The fulfillment of these goals is dependent on the entrepreneurial educational attainment of the entrepreneur. Therefore, marketing skills are very imperative for goal achievement and economic growth.

3.2.3 Management Skills

Management skills are abilities acquirable through entrepreneurship education. The problems arising from lack of entrepreneurship education seem far more serious than those connected with the mere shortage or lack of capital. In every entrepreneurship endeavor, there are entrepreneurial skills or competencies that are needed and which one must be acquainted with to ensure the success of the enterprise. Before a good plan can be made, a decision to make the plan must be taken. According to Osuala (2004) acquisition of management skills through entrepreneurship education is indispensable towards producing a self-reliant nation with dynamic economy. The management skill or competencies to be acquired include:

- i. Planning
- ii. Organizational skills

A fundamental skill acquirable through entrepreneurship education is planning skill. Planning is at the core of entrepreneur's activities. Before good plans could be achieved, good decisions must be made. A decision is a process that leads to taking of an action. An entrepreneur must make decisions. The outcome of the decision could mean the success or failure of the business. For instance, in one day, an entrepreneur makes decision that range from whether to go to work or to stay at home; to purchase a particular item or not to do so, to pay some creditors or to use the money for a more lucrative venture for the time being; to allow some employees to work over-time or not, to stop the production of a particular product or not (Nwachukwu,2005)

It should be pointed out that often, the lack of planning skills makes entrepreneurs procrastinate when it comes to decision-making, forgetting that the absence of a decision to act is a decision on its own. As it is often said, that when one fails to plan the person is planning to fail. Areas affected in such apparent lack of planning skills include:

- i. Planning to increase sales volumes;
- ii. Increase in the quantity of goods to be produced, or to improve the quality of such goods.
- iii. Planning skills to cut down on cost and jeopardizing production.
- iv. Planning skills to expand facilities, employ new hands, and remove dead woods.
- v. Planning skills to buy or sell a new item or equipment.

All these involve one or both of the following as a rule:

- i. Expenditure of more money, that is financial prudence and or
- ii. Maximization of or the use of material and human resources to achieve the stated goals (effective management)

According to Bucher (1979) and Nwachukwu (2005) planning, whether in business ventures or administrative processes, is very important. It is the foundations for making things happen. Good planning is an important attribute of an entrepreneur as part of the problem-solving approach; it requires taking some steps, which include;

- a. Recognition of the problem,
- b. Identifying the alternatives,
- c. Coordinating human and material resources for effective implementation of the decision taken so as to ensure successful launching of the business or entrepreneurship programmes.
- d. An appraisal or evaluation is the last stage of the continuum. It analyses the success and failure of the entire process. The information so collected will be useful in formulating policies.

Ability to organize the thoughtful plan as a management tool is essential to the efficient running of the business. Organizational skills are needed to guide the entrepreneur in the day-to-day running of the business for the achievement of the set goals.

3.2.4 Public Relations Skills

According to Robert and Tim (1998) all managers must have to consider the public impact of their actions. Public relations (Robert and Tim, 1998) are the term used to describe the way issues and messages are communicated between an organization and the public. Accordingly, public relations are indispensable in every thriving organization in order to keep in touch with and responding to the media and interest groups.

3.2.5 Communications Skills

According to Longman (2005) communication skills are ways and abilities for expressing oneself well so that others can understand. Communication is a process by which people exchange information, thoughts and feelings. It is a means through which self-employed craftsmen and artisans communicate and reach both internal and external persons that are associated with their organization. Entrepreneurs can arouse the interest and curiosity of their customers through effective communication skills.

4.0 CONCLUSION

The success of any enterprise is based on the skills possessed by the entrepreneur in charge. An entrepreneur with high level of skills will do well in handling an enterprise while a lack in these skills can lead to failure of the enterprise.

5.0 SUMMARY

In this unit, we discussed about entrepreneurial skills, basic desirable skills and the importance of possess such skills.

6.0 TUTOR MARKED ASSIGNMENT

- 1) “A fundamental skill acquirable through entrepreneurship education is planning skill” Explain
- 2) What are the types of management skills needed by an entrepreneur?
- 3) List the steps involved in planning.

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business/identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>.

UNIT 2 SWOT ANALYSIS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Evaluate your strengths, weaknesses, opportunities and threats
 - 3.2 Identify your strengths and weaknesses
 - 3.3 Identify opportunities and threats
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about entrepreneurial skills, basic desirable skills and the importance of possess such skills. In this unit, we will discuss about SWOT analysis, evaluate your strengths, weaknesses, opportunities and threats, identify your strengths and weaknesses and identify opportunities and threats.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Define SWOT
- How to evaluate strength and weakness
- How to identify opportunity and threat

3.0 MAIN CONTENT

3.1 Evaluate your strengths, weaknesses, opportunities and threats

Every entrepreneur need to identify a good business idea or opportunity. One of the biggest obstacle or challenge facing intending entrepreneurs is in the generation of good business idea. Before venturing into business it is important to choose a business model and industry that has a good chance of success, and one the individual is interested on. Factors that are responsible for the recognition of a business opportunity are entrepreneurial alertness, entrepreneur's prior knowledge of markets and customer problems and entrepreneur's networks.

SWOT analysis is an exercise meant to identify your strengths, weaknesses, opportunities and threats - hence the acronym "SWOT". Taking a critical look at internal and external factors that impact your business arms you with knowledge that

can help you plan, manage or grow your business. It can help you meet challenges or take advantage of business opportunities.

3.2 Identify your strengths and weaknesses

An internal analysis is meant to determine where you have an advantage over your competitors, and where you are not as strong.

- Identify success factors for your industry or market segment.
- Assess your competitors' competencies with respect to these factors.
- Compare them to your own strengths and weaknesses to determine where you may have a competitive advantage.

The success factors can vary depending on your industry. They include comparing your abilities to your competitors for factors such as:

- Marketing: market share, reputation for quality and service, distribution costs, geographical coverage, promotion and sales force effectiveness.
- Manufacturing: Facilities, economies of scale, capacity, workforce availability and skills, on-time delivery, technical manufacturing skill.
- Finances: Availability of capital, profitability, financial stability.
- Organization: Employee dedication, flexibility and responsiveness.

Since it can be difficult to be objective when evaluating your own strengths and weaknesses, soliciting the views of your employees, customers and suppliers can help.

3.3 Identify opportunities and threats

An external analysis takes a closer look at the industry and markets where you do business by identifying opportunities and threats. You will want to find out:

- Which opportunities could increase your profitability? Examples could include:
 - increased demand for your goods or services
 - access to new markets
 - new products and services that can fill a need
 - efficiencies in your operations
 - few or weak competitors
 - market not segmented
 - higher profit margins
 - stable price structure
 - low risk
- What threats can affect your profitability?
 - obsolete products or services
 - shrinking market
 - existing or new competition

- upcoming regulatory changes
- increased market segmentation
- reduced availability of materials
- increased supplier prices
- foreign exchange fluctuation
- inflation or economic stagnation
- political or social changes
- environmental factors
- takeovers or mergers

Done well, a SWOT analysis can provide a good scan of your business environment. It can help identify opportunities you may have overlooked and prepare you to meet challenges. A SWOT analysis should not be depended upon solely, but used in conjunction with your arsenal of planning and management tools.

4.0 CONCLUSION

SWOT analysis is a useful technique for understanding your strengths and weaknesses, and for identifying both the opportunities open to you and the threats you are likely to face.

5.0 SUMMARY

In this unit we discussed about SWOT analysis, evaluate your strengths, weaknesses, opportunities and threats, identify your strengths and weaknesses and identify opportunities and threats.

6.0 TUTOR MARKED ASSIGNMENT

- 1) What does SWOT stand for?
- 2) How do you identify your opportunity and threat?
- 3) List the types of threats that can affect an enterprise

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business/identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>.

UNIT 3 PROBLEMS OF ENTREPRENEUR

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Problems of Entrepreneurs
 - 3.2 Internal Problems
 - 3.3 External Problems
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about SWOT analysis, evaluate your strengths, weaknesses, opportunities and threats, identify your strengths and weaknesses and identify opportunities and threats. In this unit, we will discuss the problems facing entrepreneurs.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Identify major problems of entrepreneur
- Differentiate between internal and external problems
- Identify techniques that can be used to minimize the problems

3.0 MAIN CONTENT

3.1 Problems of Entrepreneurs

Problem means difficulty, hardship or perplexing situation. When we say problems of Nigerian business entrepreneurs we are referring to the difficulties faced by business organization and their owner situated in Nigeria. Lawal (1993) notes problems are threats or limiting factors, that is, the factors that have negative impact on success, growth and survival of the entrepreneurs' business enterprises. These problems are within the enterprise in such case they are referred to internal management problems. They could also be from the environment external to the enterprise in that case called external factors facing the enterprise.

The internal environmental forces or influences are those that affect the enterprise separate entity. They consist of functional structure and relationships in the enterprise

are often called organizational climate or internal working system. The main element internal environment include finance, marketing, production, organization, planning, personnel (Lawal, 1993).

The forces that affect a business unit as well as other enterprises operating within the environment are known as external environment. They are external to the enterprise cannot be effectively controlled by entrepreneurs. They are relevant for the success of the organization and have to be carefully monitored. They can be further classified into direct and indirect elements. The direct elements are those that have immediate impact task, and consist of individuals or groups having tremendous influence on the attainment of the enterprise goals. They often have long-standing relationship with the enterprise include; shareholders, customers, financial institutions or creditors, suppliers, organizations, government agencies, public and local communities.

The indirect action elements in the environment include: Socio-cultural, technological, economics, political/legal and international environments (Ogundele, 2004). Lawal notes that an example of the environmental impact on the business is the on-going Structural Adjustment programme (SAP). The fundamental changes in the structure of the economy through SAP have contributed to the success of some banks and in particular failure of so many other organizations.

3.2 Internal Problems

The internal problems that affect the small scales enterprises particularly and other enterprises in general Lawal, Kio, Sulaimon and Adebayo (2000) include the following:

- 1) **Wrong Choice of Business:** Entrepreneurs should avoid entering into business opportunities that are already over-crowded. Choosing a wrong investment area may lead to failure.
- 2) **Lack of Business Connection:** This relates to inability to establish good relationships with customers, creditors and government agencies. These may lead to business feature.
- 3) **lack of expert:** Expert knowledge in area of organizational activities is important, lack of organizational knowledge can be problematic.
- 4) **Poor Financial Management:** This relates to inability to maintain proper accounting records.
- 5) **Management Incompetence:** Majority of small scale enterprises entrepreneurs in Nigeria lack required management know- how to run the business effectively and efficiently.

- 6) **Over Stretching of Credit:** most small business organizations who are eager to make sales often extend undue credits to customers, without appropriate methods cash of collection.
- 7) **Wasteful Expenses:** Expenses must be kept to essential minimum for the success of the enterprise. Many Nigeria enterprises indulge in excessive and wasteful expenses.
- 8) **Inventory Problem:** There could be problem of overstocking or purchase of slow moving products, with consequent cost implication.
- 9) **Location Problem:** Poor location in relation to customers may affect business success.
- 10) **Absence of Production Improvement Techniques:** These include the use of such management techniques as management by objective (MBA) organization and method, work-study etc.
- 11) **Unethical Business practice:** These include dishonesty, poor quality product, bribery, corruption and other acts of indiscipline. They contribute to business failure.
- 12) **Lack of Adequate Attention:** There are often neglects of the business by the owners, resulting from poor habits, poor health, marital problems and several others.
- 13) **Personal Characteristic:** The characteristics of the owner of the enterprise can be a cause of failure or success. For the success of an enterprise the owner must be mature in judgment, have balance and aggressive diplomatic character.
- 14) **Marketing Problem:** This can manifest in a variety of ways e.g. non standardization of product, inappropriate pricing, poor promotional strategies etc.
- 15) **Lack of Qualified Manpower:** In the case of small-scale business enterprises they cannot afford to employ competent and skilled manpower due to their financial stature and reputation.
- 16) **Lack of Employee Satisfaction:** In most Nigerian enterprises the general working conditions are very poor. There is also autocratic leadership style of some of the entrepreneurs and these constitute problems for the organization.

3.3 External Problems

The external problems confronting enterprises in Nigeria are equally many and varied. They include among others the following;

1) Capital Problem

This relates to securing long-term equity capital and working capital. In the case of small-scale enterprise they have serious problem in term of securing fund, building and maintaining adequate financial reserves and equity capital.

2) Competition

There is problem of competition against large corporation with small-scale enterprises due to the competitive advantage of the giant firms. The competition among the big firms often sometimes takes unethical dimensions.

3) Technological Problem

In the case of small indigenous enterprises lack of access to technology often affects the success of small enterprise. In addition all organizations in Nigeria are open to technological competition from the global environment.

4) Lack of raw materials

There is often problem of shortage of raw materials, such that small organization does not secure adequate outputs for production.

5) Deficient Policy Framework

The political environment in term of economic policy framework and legal regulation can be problem to all forms of enterprises. There could be unfair regulations from local authority, state and federal government. In addition, inadequate organizational facilities and cumbersome laws can be problems of enterprises.

6) Limitation of Extension Services

In the case small-scale enterprises there are often limited services of research institutions, industrial development centers, management institutions and other intermediate framework designed for the success of small-scale business.

4.0 CONCLUSION

Problems and challenges that cannot be avoided in a business and if the problems are well managed, they can become stepping stones to take the business to the next level

of success but if the problems are not well managed, it can lead to the extinction of the business.

5.0 SUMMARY

In this unit we discussed about problems of entrepreneurs, we differentiated between internal and external problems.

6.0 TUTOR MARKED ASSIGNMENT

- 1) What are external problems
- 2) What are the differences between internal and external problems?

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business-identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>.

UNIT 4 BUSINESS MANAGEMENT TECHNIQUES

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Business management techniques that can minimize listed problems
 - 3.2 Management by objective
 - 3.3 Project management technique
 - 3.4 Strategic management
 - 3.5 Team-Building technique
 - 3.6 Total Quality management
 - 3.7 Work study
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the problems facing entrepreneurs and in this unit we will try to provide techniques that can be used to minimize or manage the series of problems faced by entrepreneurs.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Identify techniques that can be used to minimize problems
- Adequately discuss each technique and it's application

3.0 MAIN CONTENT

3.1 Business management techniques that can minimize listed problems

Ogundele (2004) notes that techniques refer to methods or procedures of doing things. When applied to management they are those procedures or approaches employed in the process of getting things done efficiently and effectively. There are many approaches to management as there are practitioners, organizations and nations. Individual entrepreneurs or team, organizations and nations introduce variations, which they employ in addition m new or existing approaches, which are relevant and consistent with their perceptions and situations. Some of these techniques, in use in the management of both public and private organization, are outlined hereunder: -

3.2 Management by Objective

This is a technique, which is result-oriented. It can be described as participative management control (PMC) or control by self-control. As a management technique of MBO is to assist the entrepreneurs attain their objectives. The central frameworks of MBO are

- 1) Definition of basic purpose or mission
- 2) Identifying overall key objectives
- 3) Analyzing the situation
- 4) Setting specific objectives for solving problems
- 5) Implementation of action plan and review of progress

The chief executive, entrepreneurs and rank-and-little members take active part in all these processes.

3.3 Project Management Technique

It is concerned with all tasks and activities to carry out an going project. The project management unique features rest in

- 1) The temporary nature of the task structure
- 2) The interdisciplinary nature of task
- 3) Concentration of entrepreneur or management attention on limited range of activities
- 4) The relative action impelled autonomy of the project organization

3.4 Strategic Management

This is the process of making and implementing decisions that have long term impact and lead to change. It is about the process of strategic change. Bowman and Asch (1987) define it as the match an organization makes between it's own resources and the threats and opportunities created by the external environment in which it operates.

The fundamental tasks of strategic management are

- 1) Environment analysis
- 2) Developing corporate vision
- 3) Strategy formulation
- 4) Strategy implementation
- 5) Strategy control.

Entrepreneurs have to orientate their organization to meet the challenges posed by the environment and competition.

3.5 Team-Building Technique

A team consists of people interacting with one another towards the achievement of a common objective. Membership of a team does vary from one team to another, the smaller the number of people, the better. Conditions for team building include;

- 1) Existence of a common goal
- 2) Critical relationship existing within the team for free expression of opinion by members
- 3) Objective to be attained must be of fairly long duration
- 4) Team goals must be adhered to by members
- 5) Identification with team goals by members
- 6) Existence of common symbol for team members' identification

Team management is an emerging paradigm in management technique that can be adopted and applied for effective management of organization.

3.6 Total Quality Management

This management technique focuses on constantly satisfying the customer. Satisfaction could be in terms of product quality, costs, flexibility and efficiency delivery. It involves making constant efforts to identify what customers wants from time to time and determining how best to cater for them.

The elements of Total Quality Management (TQM)

- 1) It addresses the issue that is most important to every customer
- 2) It ensures that owners and shareholders of companies get good returns on their investment
- 3) Adoption of environment friendly models of operation.

These strategies derive from the realization that output is strictly a function of input and that quality is the result of input and the manner of usage.

3.7 Work Study

This technique is focused on studying the requirements of a task in order to find better ways of doing it. Time study is included in work-study. It calls for the application of sensitivity analysis so as to obtain the needed cooperation from all the people involved in its use. Work study is a technique of wide usage, as such, it could be applied in established departments, and product, and in the design and layout of new factories, for efficient and easy production (Ndiokho, 1994).

4.0 CONCLUSION

An entrepreneur must understand and be well established in the knowledge of the various techniques that can be used to minimize/manage the entrepreneurial issues.

5.0 SUMMARY

In this unit we discussed and identified techniques that can be used to minimize problems facing entrepreneurs.

6.0 TUTOR MARKED ASSIGNMENT

- 1) List the types of techniques that can be used to manage these problems
- 2) Are these techniques applicable?

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbt/dc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business-identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>.

UNIT 5 MANAGEMENT CONCEPTS

CONTENTS

- 1.0 Introduction
- 2.0 Objectives
- 3.0 Main Content
 - 3.1 Management concepts
 - 3.2 Holistic Management Approach
 - 3.3 Kaizen Management Approach
 - 3.4 New Public Management
- 4.0 Conclusion
- 5.0 Summary
- 6.0 Tutor Marked Assessment
- 7.0 References/Further Reading

1.0 INTRODUCTION

In the previous unit, we discussed about the techniques that can be used to minimize or manage the series of problems faced by entrepreneurs. In this unit, we will talk about the various management concepts.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

- Identify management concepts
- Adequately discuss each concept

3.0 MAIN CONTENT

3.1 Management concepts

There are several new and emerging concepts that could be profitably applied to the operations of Nigerian organizations, private and public. These include amongst other managerial effectiveness strategies, re-engineering managerial values, entrepreneurial venture, motivational technique, Kaizen, a tool for managing change, knowledge management for organizational excellence, holistic management, new public management, creativity and several others.

3.2 Holistic Approach Management

This approach has its root in India practice. It is based on the consideration of the human individual as unique living entity, having self-consciousness and that the human self is a complex body, mind, heart, intellect and spirit soul. We have to play equal attention to all the aspects of human personality and consider him as a whole or

complete being, having practically unlimited potential energy and power to develop himself and acquire perfection, so that he can enjoy all round internal and external harmony and progress. This is called holistic approach in self-management and management of any enterprise (Sherlekar, 2011).

3.3 Kaizen Management Approach

Khan (2000) noted that the concept originated from Japanese words KAI, meaning change and ZEN, meaning betterment. It is otherwise called “**continuous improvement**”. Kaizen is, thus, a continuous process of improvement carried out by the person who is doing the job in the day-to-day workplace. It involves everyone, managers and workers alike, for on-going improvements. The philosophy emphasizes continuous improvement in our ways of life; work life, social life, home life. It has resulted in tremendous changes in management policies not only in Japan but also all over the world. In practicing Kaizen,

- 1) Entrepreneurs
- 2) Top management personnel
- 3) Middle management personnel
- 4) Supervisors
- 5) Low-level workers are all involved

3.4 New Public Management

This is a new approach already adopted by advanced economies in the management of public sector, in Sweden, France, Australia, Canada, USA, Germany, Japan and others. It has the following merits

- 1) Devolving authority providing organization
- 2) Ensuring performance control and accountability
- 3) Developing competition and choice
- 4) Providing responsive service
- 5) Improving the management of human resources
- 6) Optimizing information technology
- 7) Improving the quality of regulation
- 8) Strengthening steering function at the center

4.0 CONCLUSION

These 3 techniques discussed above are selected because they relate to issues of value ethical dimension, dedication to all constituencies, change of attitude on the part of our public institutions in the management of national resources.

5.0 SUMMARY

In this unit we discussed the various types of concepts/approaches of management that can be applied by entrepreneurs.

6.0 TUTOR MARKED ASSIGNMENT

- 1) Mention the 3 types of management concepts
- 2) Discuss the Kaizen approach
- 3) Discuss the Holistic approach

7.0 REFERENCES

Agu, R.A (2011). Entrepreneurial Development and Small Business Management. EBS Lecture pack.

Arkanass Small Business Development Center (2014). Five steps to : evaluating business opportunity retrieved from <https://www.atu.edu/asbtdc/>

Elgin, J. (2016). Buying a Franchise versus a Business Opportunity retrieved from <https://www.entrepreneur.com/article/181212>

International Training Centre of the ILO (2005). Know about business. Entrepreneurship Educational Schools and Technical Vocational Training Institutions. Module 5. How do I find a good business idea? Tomlinson, P. and Haftendorn, K. ed.

Okechuwu, E.U(2017). Identification and evaluation of business opportunity, in Onoh, B.C.E.C., Orga, C.C and Abraham, D. Introduction to Entrepreneurship Development (Theory).Entrepreneurship Development Centre(EDC), ESUT, Enugu.

Perez, J. (2016). Business Opportunity Fraud. In Connecticut Department of Banking's online resource retrieved from <http://www.ct.gov/dob/cwp/view.asp?a=2235&q=297906>

Ray, L. (2015). 5 Steps to Evaluating Business Opportunities retrieved from <http://smallbusiness.chron.com/5-steps-evaluating-businessopportunities-44673.html>

Shinha, D.K. (2015). Identification of Business Opportunity: Idea Generation and Opportunity retrieved from <http://www.yourarticlelibrary.com/business-identification-of-business-of-opportunity-idea-generation-and-opportunity/4073>.