

S.1 ENTREPRENEURSHIP EDUCATION.

This copy consists of part of what we had already covered to enable that who may have lost their books or in a place where they are unable to access their books. It further gives other topics that are supposed to be covered in term one and two. **Read and practice.**

Term 1

LESSON ONE: CREATIVITY AND INNOVATION LEARNING OUTCOME

By the end of this lesson, you should be able to practice creativity and innovation and learn and practice how to make new products or services that meet the needs of people.

Introduction

Whenever a nation, community or an individual is faced with a problem, they should come up with a solution to solve that problem with creativity and innovation. In Uganda today there is a problem of deforestation –the destroying of forests by cutting down trees. Below is a passage on how using mud stoves can solve this problem. .

Solving Uganda’s Deforestation Crisis with Mud Stoves

People in Uganda are constantly cutting down trees to get firewood. The deforestation rate in the country is very high.

With only 10% of Uganda’s rural population connected to the electrical power, there is little option but to burn wood. This has led to one of the worst deforestation rates in the world. The country’s National Environment Management Authority says that every year, 2.6% of the country’s forests are cut down for fuel, agriculture, and to make way for population growth. If things stay as they are now, Uganda will lose all its forest cover in less than 25 years.

To overcome this problem, a group of young men in Mukono district started making mud stoves. Mud stoves are home-produced energy-saving cooking devices which reduce the amount of fire wood needed to cook by a half. If these mud stoves are used in our villages’ deforestation may be reduced drastically. The pictures below show cooking using a lot of fire wood as compared to the use of mud stoves which reduce the amount of fire wood needed to cook by a half.



Fig. 1.0: Old way of cooking



Fig. 1.1: Mud Stove

What is Creativity?

Creativity can be defined as the ability to produce something new through imaginative skills. It can also be defined as a new way of solving a problem. For example, the mud stove in Figure 1.1 above was built with creativity. We can use the style in our villages, and reduce the rampant cutting of trees in the country. This is because those who use the mud stove may not need a lot of firewood as compared to those who cook using the traditional three stone methods in Figure 1.0.

Creativity involves two steps: thinking and producing or taking action. If you have ideas but do not act on them, then you are not creative. You are imaginative. Creativity is the basis of all forms of production of both goods and services. For example, in music or dance, in order to compose a song, you think of the song first, write it down and then produce it. Or in fashions a tailor may think of a new fashion, draw the fashion or design on paper, and then produce the design.

Why do we Need Creativity?

As an entrepreneur, creativity can help you in many ways including the following:

1. Creativity is used to upgrade products and services which may help the entrepreneur to reduce costs and increase profits.
2. It leads to development of new and original products.
3. Creativity enables an entrepreneur to make proper use of limited or locally available resources.

How to Become Creative

Creativity is a skill that can easily be developed. You need to be imaginative, determined, hardworking, and love reading. The following are some of the ways to become creative:

- write the thoughts/ideas that come into your mind so that they are not easily forgotten. Then develop those ideas into tangible products or services.
- look at the redundant local resources available in your community and think of valuable items you can make out of them for sale.

- Identify a problem or a need either in your community, school or country and coming up with a solution.

Activity1: Do this activity in your books.

1. Think of three needs in your community and write them down.
2. Explain what you can do to provide for these needs using the knowledge you have got on creativity.
3. List down the locally available resources you can creatively use to solve an identified problem.

The material on creativity

Innovation in Business

Innovation in business can be defined as the process of making a product new or better. It is the process of doing service or action in a new way. Most times innovation actually means improving on a product that is already on the market. During this COVID 19 pandemic one of the guidelines given by the Ministry of Health to protect yourself against contracting the corona virus is to wash your hands with soap. This has led to the innovation of better and safer hand washing tools as shown below.



Fig. 1.2 Washing Hands at a Tap water



Fig. 1.3 New innovation for washing hands.

Before the corona virus outbreak, it was safe to wash hands using tap water in public places, but now it is no longer safe because you can contract the disease. With the new innovation for washing hands you do not have to touch the tap but use your foot to step on a pedal and water will flow.

Activity 2: Do this activity in your books.

Explain three different innovations that have taken place in your community, giving examples of old things that have been improved on to make them new and more useful.

Types of Innovation

There are many different forms of innovation within our communities and these include the following:

1. Agricultural innovation
2. Product innovation
3. Marketing innovation
4. Service innovation

Agricultural innovation is the improvements in the way farmers carry out their farming activities in order to increase their productivity at low costs. These include the following:

- Growing vegetables in plastic containers and sacks especially in towns and cities
- Using improved seeds like maize, beans, and coffee which give high yields
- Irrigation of crops using plastic bottles during dry seasons

The pictures below show innovation in farming using limited space.



Fig. 1.4 Growing of Vegetables in Sacks.



Fig.1.5 Roof Top Farming

Product innovation

This refers to the introduction of a new product or improvement of an already existing product to solve a problem in a new and exciting way to meet customers' needs. Customers are usually willing to pay more for a better product.

For example, the use of touch screens smart phones as compared to ordinary phones.



Fig.1.6 Old Model Mobile Phones



Fig.1.7 New touch Screen Smart phones

Marketing innovation

This involves the development of new marketing methods with improvement in product design or packaging, pricing and product promotion.

For example, the use of plastic bottles as compared to old glass bottles in packaging soft drinks.

Service Innovation

This means the way you serve your customers to create greater value for them and gain more profits for your business.

An example of service innovation being used during this COVID 19 lock down, where the classroom chalk board is no longer in use, is e-learning where learners can receive instructional materials using computers and mobile phones in their homes.



Fig.1.8 Learning using the traditional chalkboard.

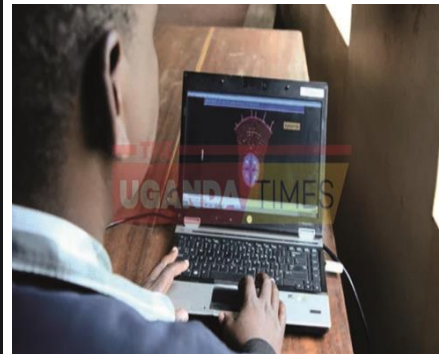


Fig. 1.9 E-learning using the computer.

Importance of Innovation

Innovation in business has the following advantages:

1. It leads to production of new products which increases variety for customers to make choice.
2. Innovation increases output in an enterprise due to creation of new and more effective production methods.
3. Innovation results into improvement in the quality of products and services.
4. It also leads to market expansion as new products attract new customers as well as maintaining the old customers.
5. Innovation may reduce production costs and increase profitability.

How to Become Innovative

Every human being can become innovative; some of the ways for becoming innovative include the following:

- One way you may become innovative is by looking at the products and services on the market and think of how you can improve on them to make them more useful.
- By befriending people who can give you good advice towards being innovative.
- By trying doing something over and over time.
- An innovator should not fear taking risks.

Activity 3: Write and do this activity in your books.

- Identify two products or services on the market which you can improve through innovation.

In conclusion:

Creativity and innovation go hand in hand. These two have become critical skills for achieving success in business. They address ways of doing things in a different and better way.

As an entrepreneur you need these skills to be able to produce new and unique products for sale and always be ahead of others.

Note that most of the products and services on market today are a result of creativity and innovation.

LESSON TWO: RISKS IN BUSINESS

LEARNING OUTCOME

By the end of this lesson, you should be able to:

- i) Learn how to take risks in business.
- ii) state different types of risks.
- iii) describe ways of managing risks.

Introduction

Life is full of challenges because you are not sure of the end result of any action you take. In the same way doing business is full of challenges where the entrepreneur may not be sure of the success or failure of his or her business activities.

Meaning of Risks

A risk is a situation where one is required to make a choice between two or more alternatives, which may result into different rewards for success or loss or failure. A business risk is a future possibility that may prevent you from achieving a business goal, lower profits or may lead to complete business failure. Examples of risks in business include the following:

- Lack of raw materials to produce goods.
- Lack of market to sell your goods.
- Lack of skilled labour to produce quality goods.
- Accidents such as fire outbreak, motor accident, and theft which may cause losses to your business.
- Natural calamities like floods, draughts and diseases like COVID-19 which has caused the loss of peoples' lives and property.

The pictures below are examples of common risks in business:



Fig. 2.1 Property Destroyed by Fire



Fig. 2.2 Floods Destroying Cars and Buildings



Fig. 2.3 Locusts Destroying Crops



Fig. 2.4 An Accident

Types of Risks

Risks in business can either be low, moderate or high as explained below:

Low Risks	These are risks that do not give a lot of benefits to the entrepreneur and the chances of losing are low. Examples include starting a very common business in the area.
Moderate Risk	These are risks that can be foreseen, calculated and managed by the entrepreneur. They do not result into high losses, for example fire outbreak or accident.

High Risk	These are risks that have high chances of happening and the entrepreneur has little or no control over them. In case such risks happen the entrepreneur can incur very high losses. But businesses which have high risks tend to gain very high profits.
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Risk Management in Business

Managing of risks refers to the activity that involves controlling of risks to ensure that they do not happen in the business. If they happen they do not cause very high losses.

Risks can therefore be minimized using the following methods:

Risk avoidance	These are measures that can help to prevent the risk from occurring. For example, a driver should not drink and drive.
Risk reduction	This is the taking of measures to minimise the likely loss or chances of the risk happening. For example putting in place fire extinguishers in case of any fire outbreak.
Risk transfer	This is when the burden of taking responsibility of a risk is shifted to another party. For example, taking an Insurance Policy against fire, accident, or theft with an insurance company which may help you to overcome a loss in case a risk occurs.

Activity:

In your exercise book, write a story about a business owner in your community who suffered a loss caused by unexpected risks.

Conclusion

As it was mentioned in the introduction, doing business is taking a risk. As an entrepreneur you should not fear taking risks, but rather assess, weigh and calculate the risks involved in the business you want to operate before you start.

LESSON THREE: TECHNOLOGY AND BUSINESS LEARNING OUTCOME

By the end of this lesson, you should be able to learn about the role of technology in business operations.

Introduction

The way people do business has been changing for the last ten years. Businesses now are transacted in many safe, convenient, and very fast ways. You no longer have to move many kilometres within or outside the country to buy commodities. It can be done using modern technological tools and software like telephones and computers. This is called e-business. For example, during the Covid-19 pandemic lockdown, people were not allowed to move

from one place to another. This did not stop them from caring or even buying goods and services. Using technology like cell phones, computers etc., people were able to transact businesses, buy and sell goods, and services, and send help to their loved ones using mobile money on the mobile phones.

Meaning of E-business

This is the type of business carried out using modern technology. Examples of e- business include the following:

- Online banking where you are able to transfer money from one account to another on your mobile phone or computer.
- Mobile money transfers. This is the use your mobile phone to send money to another person or receive money from another person.
- e-tax is a modern process of paying taxes to Uganda Revenue Authority using your telephone or computer.
- E-learning. This is a modern teaching method which involves the use of electronic *technologies* to access educational curriculum outside a traditional classroom. These include radios, televisions, computers and mobile phones.
- e-marketing is the process of advertising, pricing and distribution of goods and services using computers and mobile phones.
- Online shopping. This is where you can order for goods using your mobile phone.



Fig.3.0: Using an ATM Card



Fig.3.1: Uber BODA Transport Services

Doing E-business

Entrepreneurs can use e-business/online business to receive orders from customers, effect payments for utilities (such as water, TV, electricity bills and buy airtime) and pay taxes. The above e- business services enable the entrepreneur work within a given time frame and effectively satisfy the needs of customers at a low cost and in a more efficient way.

Advantages of E-business to the Entrepreneur

E- Business brings a lot of benefits to an entrepreneur. Some of them include the following:

1. It enables the entrepreneur to save transport costs while transacting business.
2. It is safe and convenient since entrepreneurs do not have to move with large sums of money in their pockets or bags to transact business.
3. It's a very fast method of effecting payments irrespective of the geographical location of the receiver and sender.
4. The entrepreneur can easily advertise his/her products across the world using online marketing.
5. The entrepreneur can easily order for raw materials or buy goods from foreign countries without going there physically.
6. Technology can be used to improve teaching and learning and help our students be successful. Instead of the teacher being the only source of help in a classroom, students can do research on web sites, online teaching and more to assist them.

Talk about the disadvantages as well Challenges of using E-business

Although e-business has a number of advantages to the entrepreneur, it also has some challenges. These include the following:

- Many people including entrepreneurs do not have mobile phones or computers to use for making online transactions.
- There is a problem of poor or non-existent network in some areas of the country such that e-business may not take place.
- Limited knowledge on how to use e-business services. If an entrepreneur does not know how to use e-business, it becomes a big challenge to him/her to transact business.
- High level of fraud by conmen, which leads to financial losses to the entrepreneur.
- Inadequate power supply especially in rural areas making the use of e- business difficult.

Activity:

- In your books explain how the use of technology has helped the development of business in your community.

Conclusion

Technology has improved the way people in Uganda and the whole world do business. It is a safe and fast way of doing business. The entrepreneur does business while sitting in his/her house and order or sale goods and services. Technology is the way to go in order to stay safe from this corona virus.

LESSON FOUR: BUSINESSES IN UGANDA

LEARNING OUTCOME

By the end of this topic, you should be able to;

- i) identify different types of businesses in Uganda.
- ii) evaluate the importance of doing business.
- iii) determine the factors leading to success in business.
- iv) identify what causes failure in business.

Introduction

If you take a walk around your village, you will notice that people carry out different businesses like farming, carpentry, welding, shop keeping, and riding a Boda Boda etc. All these different businesses are needed in our communities so that we can get all the goods and services required for our daily living.

Activity: Do this activity in your exercise book

- List five different businesses carried out in your village.
- Give two most popular businesses in your community.

What is Business?

The term **business** refers to the organised efforts and activities of individuals to produce or buy and sell goods and services with an aim of making profits. A **business** can be an organisation or enterprising entity engaged in commercial, industrial, or professional activities. ...

The word business comes from the word busy, and means doing things. In your community, you may have seen people carrying on different businesses such as buying and selling agricultural produce, running a retail shop, operating a restaurant, school, salon and many others.

Types of Business

There are four main types of businesses. They include the following:

- Agribusinesses

- Manufacturing businesses
- Trading businesses • Service businesses

These are explained below:

Agribusiness: **Agribusiness** is a combination of the words «agriculture» and «business» and refers to any business related to agricultural production. Agribusiness includes the production, processing, and sale of agricultural goods with an aim of making profits. Example of agribusiness includes the following:

- Crop production: these are businesses engaged in the production and selling of crops like bananas, tomatoes, coffee, cotton, maize, millet, cassava and many others.
- Livestock production: these are businesses engaged in the production and selling of different animals like cattle, goats, pigs, rabbits among others.
- Poultry keeping: this type of agribusiness concentrates on rearing and selling different types of birds such as chicken, turkeys and ducks for their meat and eggs.



Fig. 4.0: Growing Tomatoes



Fig. 4.1: Poultry Farming

Manufacturing Businesses: These businesses transform or process raw materials into semifinished or finished products. They do this by changing the form of the raw materials into finished products by adding value to them. Manufacturing businesses provide a wide range of job opportunities depending on what they produce. The examples of manufacturing businesses include the following:

- Metal fabrication businesses like makers of metal doors, windows, furniture, bicycles etc.
- Carpentry and joinery; involve in making of furniture for sale and construction work.

Activity 1: In your books

- i) List three different types of service businesses found in your community.
- ii) Give two other service businesses which are needed but not provided in your village.



Fig. 4.2: Carpentry Workshop

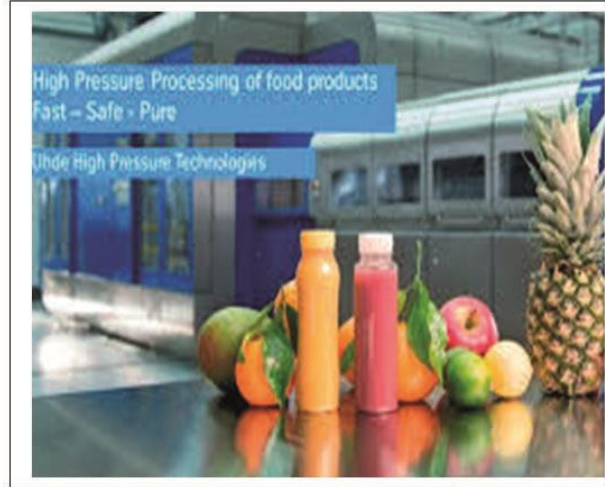


Fig. 4.3: Processing fruits into juice

- Agro-processing businesses; these businesses transform agricultural raw materials into different final agricultural products like cooking oil, juices, maize flour and others.
- Extractive manufacturing businesses; these businesses extract materials like clay, grass, papyrus, stones, etc., and transform them into different semi-finished and finished products like baskets, bricks or tiles.

Trading Businesses

Trade is the activity that involves the buying and selling of goods and services or the exchange of goods or services between people. **Trade** may take place within a nation, between producers and consumers or it can be across nations.

Trading business is carried out by either **wholesalers** or **retailers**.

Wholesalers buy goods in very large quantities from producers and sell them in small quantities to retailers or big consumers like schools and other institutions.

Retailers on the other hand buy goods in small quantities from wholesalers and sell them in smaller quantities to final consumers. Examples of retail businesses are roadside traders, groceries, shops and restaurants.

Service Businesses When people fall sick they go for treatment in hospitals or clinics. On the other hand, when you want to cut your hair you go to a salon. At hospitals doctors offer medical services at a price, in the same way salon owners dress peoples' hair at a cost. Service Business is the provision of services to customers who pay for them. Examples of service businesses include teaching, singing, hair dressing and many others. Service businesses provide a variety of job opportunities; some of these businesses include the following:

- i) Education services such as establishing nursery schools, primary schools, secondary schools, vocational training institutions, colleges and universities.
- ii) Transport services which include *boda-boda* businesses, taxis, bus services and commercial goods transporters, etc.
- iii) Entertainment services like music or disco, drama and comedy. iv) Beauty services like salons, wedding decorations, skin treatment etc.
- v) Medical services include clinics, drug shops, hospital etc.



Fig. 4.4: Saloon Services



Fig. 4.5: COVID-19 Medical Workers

Importance of doing business

Have you ever thought of how businesses benefit people? Whenever you buy something from a business, the business owner gets money and you get satisfaction by using the product or service you have bought. Business also benefits the community and the country as a whole. The following are some of the **benefits** of doing business:

- Business owners are self- employed so they are job creators and not job seekers.
- Business is a source of income to their owners.

- They provide jobs to people.
- They bring goods and services nearer to the people.
- Owners of businesses pay taxes to the government.
- It leads to development in the community.

Activity: 2

In your exercise books, explain five ways in which businesses have benefited your community.

LESSON FIVE: SUCCESS IN BUSINESS LEARNING OUTCOME

By the end of this lesson, you should be able to:

- i) differentiate between successful and unsuccessful businesses.
- ii) evaluate the causes of success in business.
- iii) discuss ways of reviving a failing business

Introduction

All of us would like to be successful in life. You also want to be successful in your studies. An entrepreneur also plans to have success in his/her business, but things may not work out the way you plan. The success you wanted may turn out to be a failure.

What is Success?

When a child is born it is expected to grow from one level to another. In the same way when a business is started it should grow from one level to another. The growth of a business is known as success. One becomes successful each time he/she takes a step towards achieving a predetermined goal, objective or target. For example, a business can be said to be successful if it is expanding its market share and increasing its profits.

Factors Leading to Success in Business

There are several factors that lead to the success of a business. These factors include the following:

1. Proper location of the business. Appropriate location helps a business in securing the required inputs e.g. materials, labour, power, etc, and access markets at low costs.
2. Presence of business support services. Businesses thrive and succeed in an environment where there are business support services such as financial services, business information, transport, communication, water and power.
3. Availability of market. Production of goods and services is meaningless unless there are customers who will buy them at prices that will yield profits to the enterprises.

4. Rate or speed of expansion. A successful business should expand slowly and steadily, but businesses that over expand may end up failing.

Business Failure

No one would like to fail, but it may be inevitable or unavoidable. You may start a business expecting to succeed but you end up failing. Business failure occurs when the entrepreneur fails to realise his or her goals in business. Signs of a failing business are: empty shop shelves, low sales, low profits, and many debts.

Factors that Lead to Business Failure

You may have noticed that many businesses are started with a lot of vigour from the business owners, but within a short period of existence they end up collapsing. The following are some of the common management mistakes that cause most businesses to fail:

1. Mistaking cash for profit: Owners of some businesses at times tend to mistake the cash received from the sale of goods or services to be profit. Under this mistaken belief, they take and use it for purposes that may not be related to the business. As they do this for a long time, the business funds get depleted and the business fails.
2. Lack of record keeping: Without records, it is difficult for an entrepreneur to tell if a business is in trouble or not. In such circumstances, he/she will know it when it is too late.
3. Poor customer care: Businesses fail as a result of poor customer care by their owners or employees. If customers are not handled well, they will go to other businesses where they are treated better.
4. Theft of business funds, stock, assets: The business may suffer from loss of its assets (cash, stocks, etc.) through theft either by employees or thieves from outside.
5. Interference of the family members in the running of the business: This is where family members withdraw business funds for personal use, taking credit which they do not pay, chasing away business workers, etc.
6. Death of the business owner: If the owner dies and there is no one to take over the business it will fail.

How to Revive a Failing Business

- i) It is advisable not to give up on a failing business. You should sit down and think of things that have caused your business to fail and sort them out. The following are some of the measures that can be undertaken to revive a collapsing business: Ensuring good

customer care to the existing and prospective customers.

- ii) Producing or selling quality products. iii) Expanding the market size locally and internationally.
- iv) Ensuring proper record keeping for all financial transactions done by the business.
- v) Ensuring that the business complies with the business laws e.g. paying taxes, registering the business, environmental conservation etc.
- vi) Being creative and innovative in business by coming up with new products and new ways of doing things.
- vii) Using modern technology.

Activity:

1. In your exercise books, write a story about a successful business you know and the things that have made that business a success.

OR

2. Write about a business that has failed and reasons why you think that business failed.

LESSON SIX: BUSINESS IDEAS AND BUSINESS OPPORTUNITIES

LEARNING OUTCOME

By the end of this lesson you should be able to generate:

- i) generate business ideas.
- ii) select a business opportunity from the environment.

Introduction

Many big and large businesses started as small business ideas which an entrepreneur had in mind. After getting many ideas the entrepreneur selects the best business opportunity basing on the available resources, and carries out a market survey to assess the success of the business.

Business Ideas

A business idea is any thought that an entrepreneur may come up with for the purposes of developing it into a business to solve an identified problem in the community. Identifying a good business idea is the first step in transforming the entrepreneur's desire and creativity into a business opportunity. It is also the first step in the business start-up process.

Importance of Generating Business Ideas

The reasons why entrepreneurs need to generate business ideas include the following:

- A business idea is the first step for starting a business that can be successful and continue existing.
- It helps the entrepreneur to respond to market needs by setting up a business that provides the right goods and services needed by the customers.
- It helps an entrepreneur to respond to natural threats and scarcities by developing innovative solutions like irrigation to overcome water scarcity, use of solar power instead of hydro- electricity.
- It enables the entrepreneur to exploit appropriate technology to convert a new idea into new products that provide better customer satisfaction.
- New ideas may help the entrepreneur to increase the profitability of the business by getting new products that sell at higher prices on the market.

Sources of Business Ideas

There are many sources from where an entrepreneur can generate business ideas. The following are some of the sources:

- **Personal interests and hobbies:** A hobby is an activity that you enjoy doing during your leisure-time such as photography, sports, music, cooking and others. These can be converted into full time income generating businesses.
- **The mass media;** including television, Internet and radio are a great source of ideas, information, and opportunities. One way to become a successful entrepreneur is taking a careful look at the advertisements and commercials in these media.
- **Newspapers.** By reading a magazine or newspaper, you can easily come across a business for sale that interests you. These media can also report on the pressing customer needs that you

can jump on and start a business.

- **Vocational training and experience**
Business ideas can also be developed from an area of training where the entrepreneur has acquired technical skills and experience. For example, a doctor starts a clinic; an employee in a carpentry workshop may start his own carpentry workshop etc.
- **Trade shows and exhibitions**
Attending or visiting trade shows and exhibitions allows an individual to meet manufacturers and distributors where you can get useful information that can become business ideas.
- **Discussions or interviews** with other entrepreneurs to seek their views, suggestions, and get comments on some situations.

- **Observations:** This involves looking around the community to see the goods and services available, those missing, those present but need improvement to satisfy customers' needs better and the gaps that may be there.
- **Creativity and innovation**

This is the use of creative minds and innovative skills; entrepreneurs may think of new businesses that could be introduced into the market.



Fig. 5.0: Newspapers, a Source of Business Ideas



Fig. 5.1: Sports as a Business Idea

How to Generate Business ideas from the Environment

Business ideas can be generated/identified from the environment through the following ways:

1. Reading newspapers to identify good business ideas.
2. Turning your hobby into income generating ideas.
3. Attending or visiting trade shows and exhibitions to see what other businesses offer so as to get a business idea.
4. Taking note of the obvious problems that you encounter in your day to day life.
5. Travelling to new areas can help individual gather information about the different business ideas.
6. Listening to customers' complaints and getting their opinions to know what they need.
7. Asking and listening to successful entrepreneurs to help develop business ideas.

Activity:

Generate five business ideas based on the problems of the people in your community and record them in the table below.

Problem	Business Idea

How to Select a Good Business Idea

Entrepreneurs always begin with any business ideas on any given situation and thoroughly check and rank them to pick the one that they can turn into business opportunities. The following are the common indicators used in selecting good business opportunities:

Skills required: You should choose a business idea that fits within your skills and experiences.

Passion or interest: You should choose a business idea that enables you to do what you love or like than what you do not love.

Availability of market: You should select a business idea that has a large number of people who are willing to buy the product so that it can lead to a profitable business.

Availability of inputs: You need to select a business idea for which you are able to get factor inputs required for its operations. Such requirements include capital, land, labour, raw materials, and energy, transport and communications facilities.

Technological requirements: You should choose a business idea that is easy to implement using the available and appropriate technology.

Legal requirements/ government regulations: You should select a business idea that fits within the government policies that affects the business for example, pork joint though meeting all other tests may not be established in a Muslim community.

Activity:

1. In your note books list four possible business ideas of your choice.
2. Select one business idea which you can turn into a business.
3. Give reasons for your selection.

Business Opportunities

A business opportunity is a selected business idea that can be turned into a real and profitable business. An opportunity is the evidence that the entrepreneur's idea can be turned into reality. Business opportunities start as ideas, which are generated by entrepreneurs. Entrepreneurs always look at any situation with the question "Where is the opportunity in this?" Then after this, the entrepreneur starts thinking, dreaming and generating ideas about possible businesses that can be made out of the given situation.

The business idea you selected in previous activity is now your business opportunity.

Characteristics of a Good Business Opportunity

Note that a good idea is not necessarily a good business opportunity. So many people have started new products and new businesses but statistics show that very few businesses ever celebrate their 1st anniversary. Just like you cannot have everything you want, not all spotted business opportunities can be turned into businesses. A good business opportunity must have the following characteristics:

- Availability of market – This involves real demand/market for the product that is the customers who have the ability and willingness to buy the product.
- Low start-up capital – it should have low capital or costs needed to produce the required goods and services.
- Availability of resources – a good business opportunity is one that utilises the resources that are available such as the raw materials and other inputs.
- Availability of required skills: the entrepreneur should have the right business skills, technical skills and knowledge about the business.
- Acceptability in the market – a good business opportunity should fit the demands, culture and norms of the community by providing the right products.
- Ability to encourage creativity and innovations – a good business opportunity should provide possibility for more new ideas and more new goods and services.

Conclusion

In this topic we have covered business ideas and business opportunities. During this Covid19 lock down you can use this knowledge to generate many business ideas, select those which you think can be turned into good business ideas.