

Module 5

UNIT 5

ENTREPRENEURSHIP AND
BUSINESS MANAGEMENT





Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency (EACEA). Neither the European Union nor EACEA can be held responsible for them.





Overview of the Unit

In this Unit, you will learn about the necessary skills to be an entrepreneur. In detail, you will learn about financial management skills, time management skills, and how to get the entrepreneurial mindset in general.





Expected Learning Outcomes

By the end of this Unit, you will be able to:

1. Recognize the basic skills of an entrepreneur
2. Compare and contrast the skills needed in different entrepreneurial scenarios

Pre-requisite knowledge

No prior knowledge is required for this Unit.



Learning Objective

The Unit aims to equip the future sartorial artisans with a basic knowledge of the entrepreneurial mindset.



Target Audience

This Unit targets learners who are seeking basic knowledge on how to develop the basic skills of an entrepreneur.

Key concepts

Entrepreneurship, entrepreneurial mindset, financial management, time management, entrepreneurial skills

- A laptop with access to the internet
- A projector
- Notepaper with pens and markers
- Post-it notes
- Printed flashcards

Necessary equipment



01

Teacher's Profile

Technical:

- Knowledge of entrepreneurial soft and hard skills

Pedagogical:

- Experience in teaching adult learners and understanding their learning styles
- Strong communication and presentation skills to engage learners

Business and Entrepreneurial:

- Proficiency in conducting successful financial management for businesses
- Proficiency in conducting successful time management for businesses





02

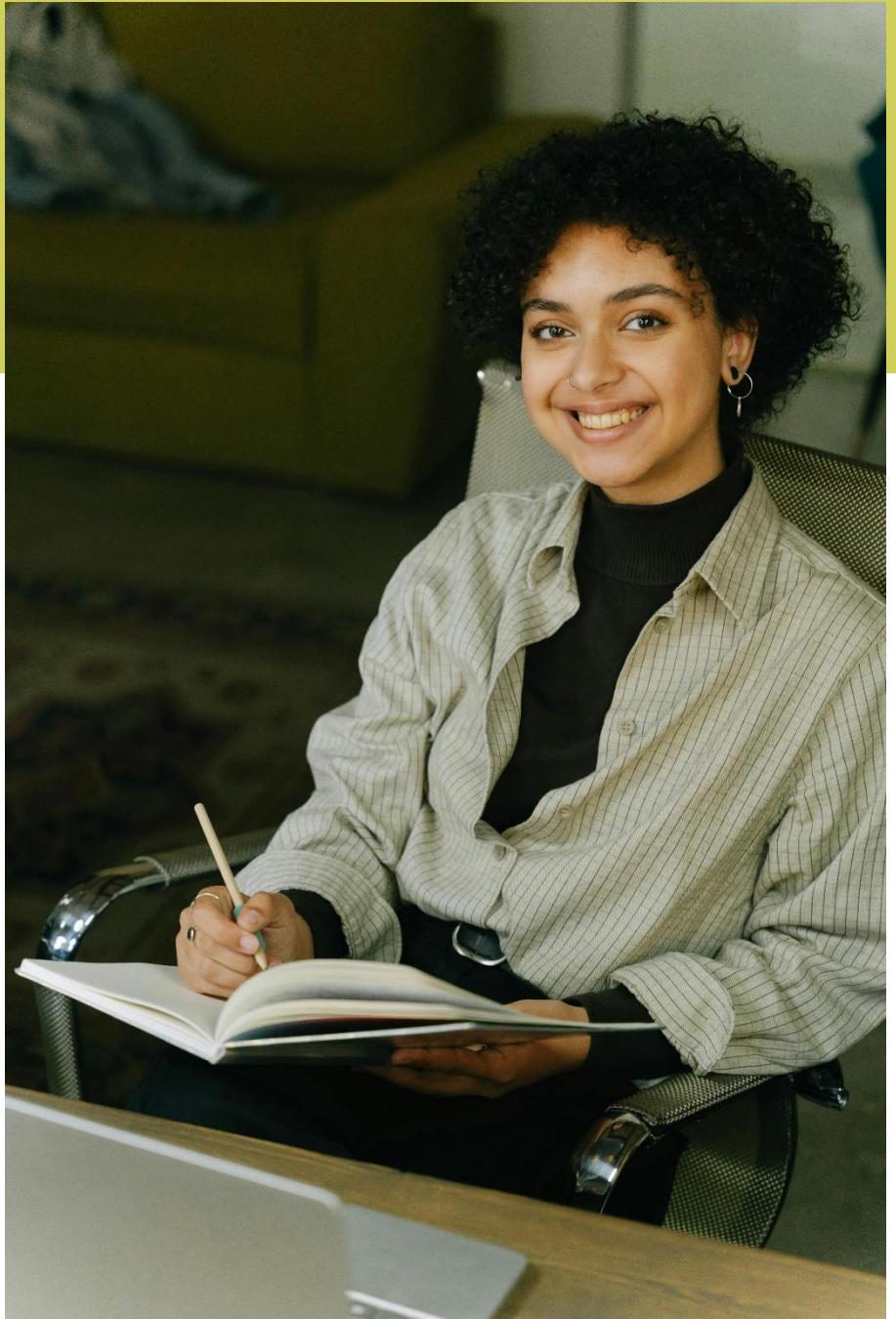
Methodology

This Unit will be based on experiential learning methodologies.

Entrepreneurial mindset

Being an entrepreneur is about so much more than just starting a business; It's a mindset, a way of thinking and acting that drives innovation and progress. It's about identifying problems, creating innovative solutions, and taking the initiative to bring those solutions to life. It's a way of thinking that mainly challenges the status quo.





What is an Entrepreneur?

An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards and the process of setting up a business is known as entrepreneurship.

Entrepreneurs can be found in all sectors of the economy, from technology to retail and are often seen as the driving force behind economic growth and innovation.

Visit



<https://www.wix.com/blog/types-of-entrepreneurship>

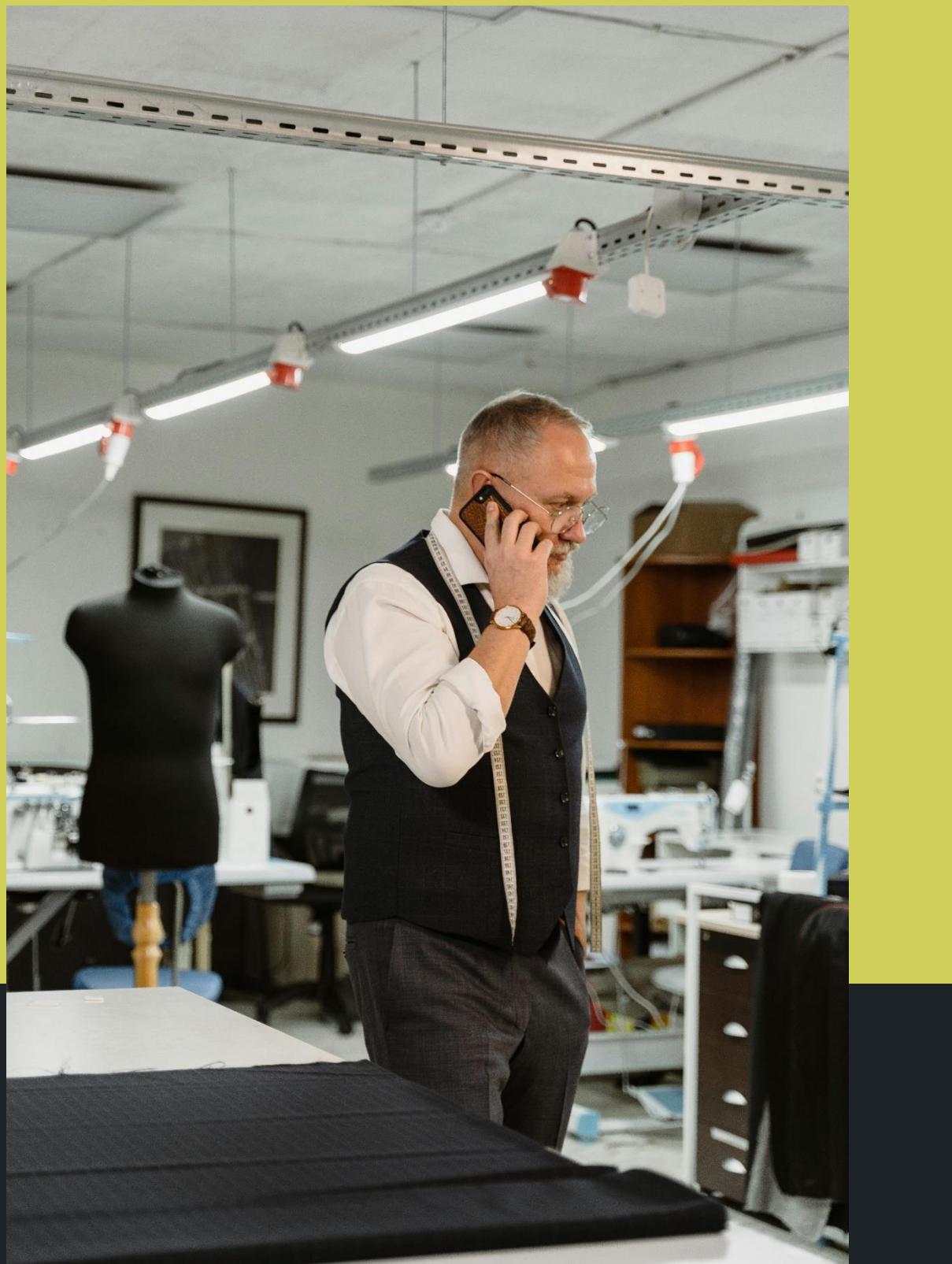




Self-employment

Being a self-employed entrepreneur in the upcycling fashion industry is a unique and exciting venture. It combines creativity, sustainability, and business acumen to create a positive impact on the environment and the fashion world, but as a self-employed upcycling fashion entrepreneur, you'll wear many hats:

- **Designer:** You'll conceptualize and design unique pieces, often inspired by repurposed materials like old clothes, fabric scraps, and discarded accessories.
- **Craftsperson:** You'll possess the skills to sew, knit, crochet, or use other techniques to transform materials into wearable creations.
- **Marketer:** You'll be responsible for promoting your brand and products through online platforms, social media, and local events.
- **Business manager:** You'll handle finances, inventory, customer service, and other administrative tasks.

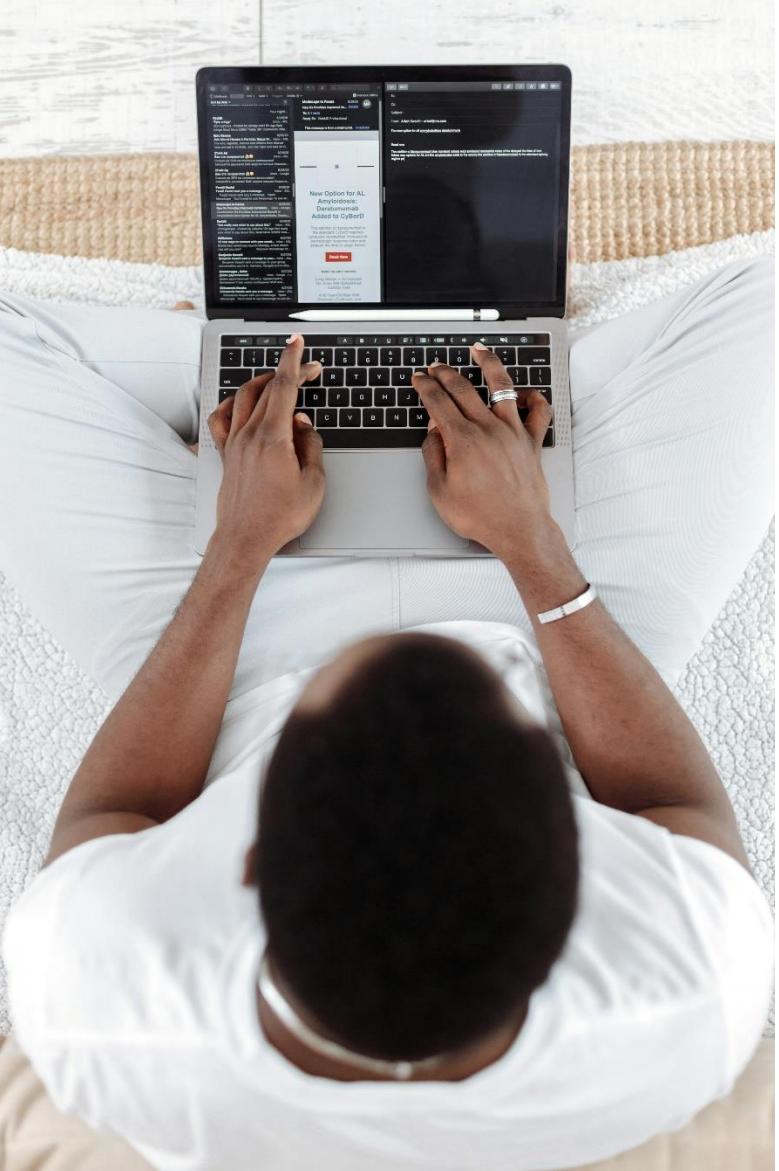


Entrepreneurship statistics

- There are 582 million entrepreneurs in the world.
- 55% of entrepreneurs say their biggest motivation for starting their own business was the idea of being their own boss.
- 30% of entrepreneurs only have a high school degree.
- Only 9% of entrepreneurs have a Bachelor's Degree in business.
- 62% of small businesses don't have any staff.
- For every 10 male entrepreneurs, there are seven female entrepreneurs.

Source: <https://www.smallbizgenius.net/by-the-numbers/entrepreneur-statistics/#gref>

Key Characteristics of an Entrepreneur



Entrepreneurs often possess a unique blend of traits that drive them to success. Here are some of them:

- **Visionary:** They have a clear vision of what they want to achieve and are passionate about making it a reality.
- **Risk-taker:** They're not afraid to take calculated risks and step outside their comfort zone.
- **Problem-solver:** Entrepreneurs identify problems and come up with creative solutions.
- **Self-starter:** They're highly motivated and driven to succeed, often taking initiative and working independently.
- **Resilient:** They learn from their mistakes and keep going even when faced with challenges.
- **Adaptable:** They're able to adjust to changing circumstances and pivot their plans as needed.
- **Leader:** They inspire and motivate others, building strong teams and fostering a positive work environment.

Remember



There are no right or wrong characteristics; these are just suggestions and you will need to find your own path.





Let's watch this video



<https://www.youtube.com/watch?v=-sQeREFZY-8>

How to gain Entrepreneurial skills



1. Follow relevant pages and read news from the field; This will help you learn more, connect the dots, and come up with new ideas.
2. Get advice from a mentor about pursuing opportunities.
3. Don't give up easily; Develop strategies to overcome challenges.
4. Analyze situations, identify root causes, and develop effective solutions.
5. Enroll in online courses, attend workshops, and participate in seminars to enhance your skills.
6. View setbacks as learning opportunities, not failures.
7. Actively seek and incorporate feedback from others.
8. Build relationships with other entrepreneurs, industry professionals, and potential investors.
9. Stay updated on industry trends, business strategies, and best practices.
10. Take initiative, seize opportunities, and don't wait for things to happen to you.

Financial management

Financial management is the process of planning, organizing, directing, and controlling the financial activities of a business and it involves making decisions about how to acquire and use financial resources to achieve the business' goals.

It is essential for the success of any business, as it helps to ensure that the business has the financial resources it needs to operate, that it uses those resources efficiently, and that it meets its financial obligations.



Importance

In essence, financial management provides the framework for a business to operate efficiently, make sound decisions, and achieve its long-term goals.

In detail:

- Effective financial management helps allocate resources efficiently, ensuring funds are available for essential operations and investments. Also, by tracking the business' income, expenses, and profitability, the areas for improvement can be identified more easily. Sound financial practices help identify and manage potential financial risks, such as market fluctuations or unexpected costs.
- A strong financial management, thus performance, leads to increased profitability, which benefits the business itself, as well as the shareholders. Also, a well-managed company is more attractive to investors, potentially leading to increased funding opportunities.
- Proper financial management ensures compliance with relevant laws and regulations, minimizing legal and financial risks. This ensures the business' ability to adapt to any changing market conditions.



How to conduct financial management

The first step is to set clear and achievable financial goals, which can be short-term or long-term ones.

- **Short-term goals** are about managing the business cash flow, reducing the expenses, while increasing the income.
- **Long-term goals** are about expanding the business, entering new markets, and investing in new equipment.

A business may have many **different types of financial goals**, so it's very important that you are pretty clear from the beginning on the direction that your business want to take; here are some potential goals:

1. Revenue goals
2. Profit goals
3. Cash flow goals
4. Investment goals
5. Debt and financial obligations goals
6. Return on investment (ROI) goals

Read



<https://www.volopay.com/blog/financial-goals-for-business/>



How to conduct financial management



After setting your goals there are various steps to be taken, such as income tracking, inventory control, or budget planning. These are steps that need meticulous attention so the best option would be to **consult with an expert**, or even delegate the tasks to one.

If you choose to conduct the financial management yourself, you can use **online tools** (some of which are free), like:

- **Akaunting**: This is a completely free, open-source online accounting software designed for small businesses and freelancers. <https://akaunting.com>
- **GnuCash**: A popular open-source option that offers a wide range of features, including double-entry accounting, stock/bond tracking, and reporting. <https://www.gnucash.org>
- **Wave Accounting**: While some features are now part of a paid plan, Wave still offers free invoicing and expense tracking. <https://www.waveapps.com>
- **ZipBooks**: The Starter plan of ZipBooks is free and allows you to connect one bank account for automatic transaction imports. <https://zipbooks.com>
- **Brightbook**: A free online accounting system for small businesses with limited employees, offering features like invoicing, expense tracking, and basic reporting. <https://mybrightbook.com>

Free tools may have limitations compared to paid software, so evaluate your business needs carefully to determine if a free solution will sufficiently meet your requirements.

Time management

Time management is the process of organizing and planning how to divide your time between different activities and it enables you to work smarter, instead of harder, so that you get more done in less time.





Why is it important?

01

Increased productivity

Good time management helps you focus on the most important tasks, leading to increased efficiency and output.

02

Reduced stress

Proper time management can help you avoid feeling overwhelmed and stressed, leading to a more positive work environment.

03

Improved decision-making

When you have a clear understanding of your deadlines, you can make better decisions about how to allocate your time and resources.

04

Improved profitability

When time is used wisely, you can reduce wasted effort and resources, leading to higher profits.

Watch

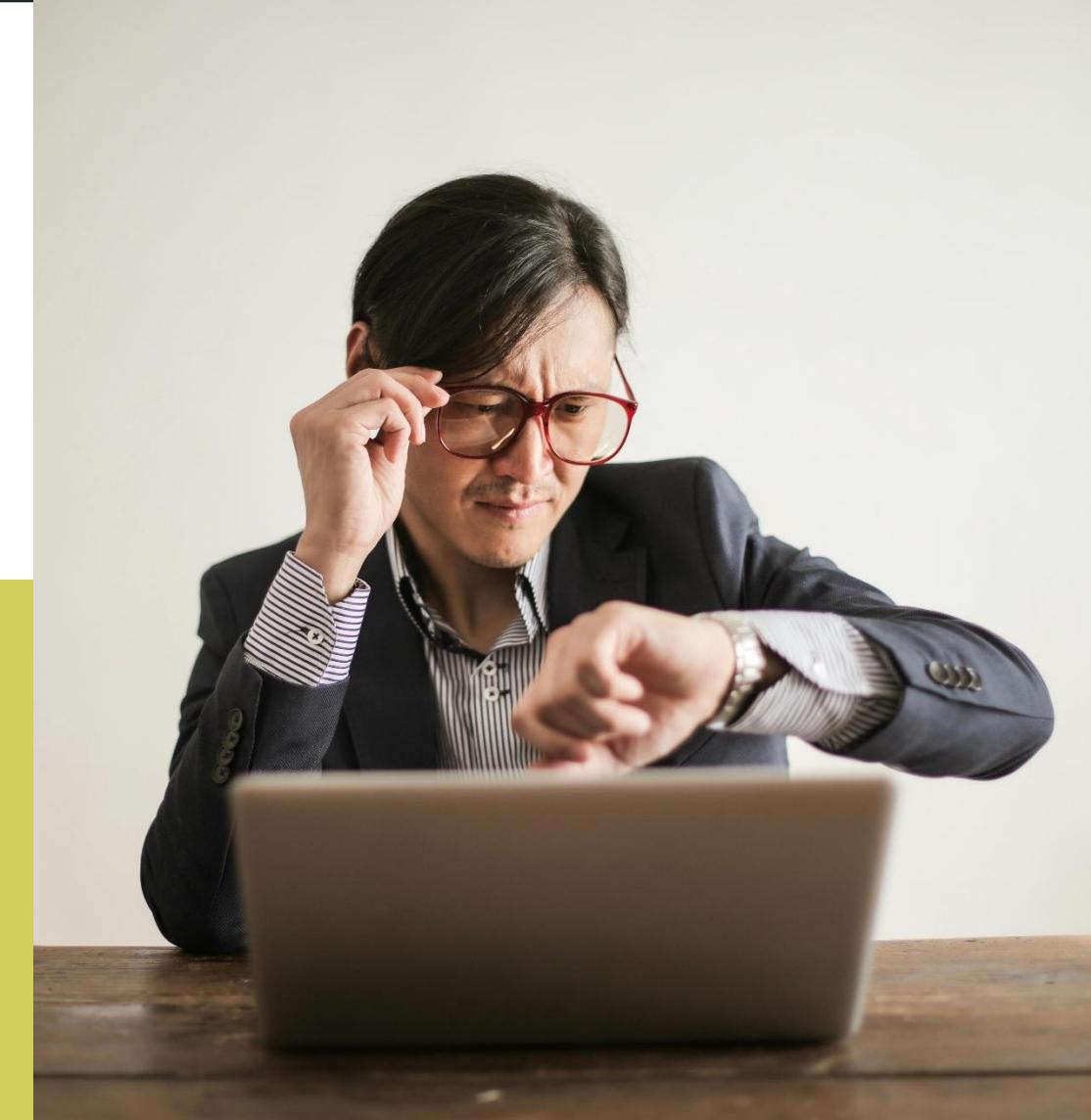


<https://www.youtube.com/watch?v=Z6kAEQJhSoU>

Time management techniques

Time management is a skill that can be learned and improved with practice. Nevertheless, you can browse the following techniques to help you get started with task prioritization:

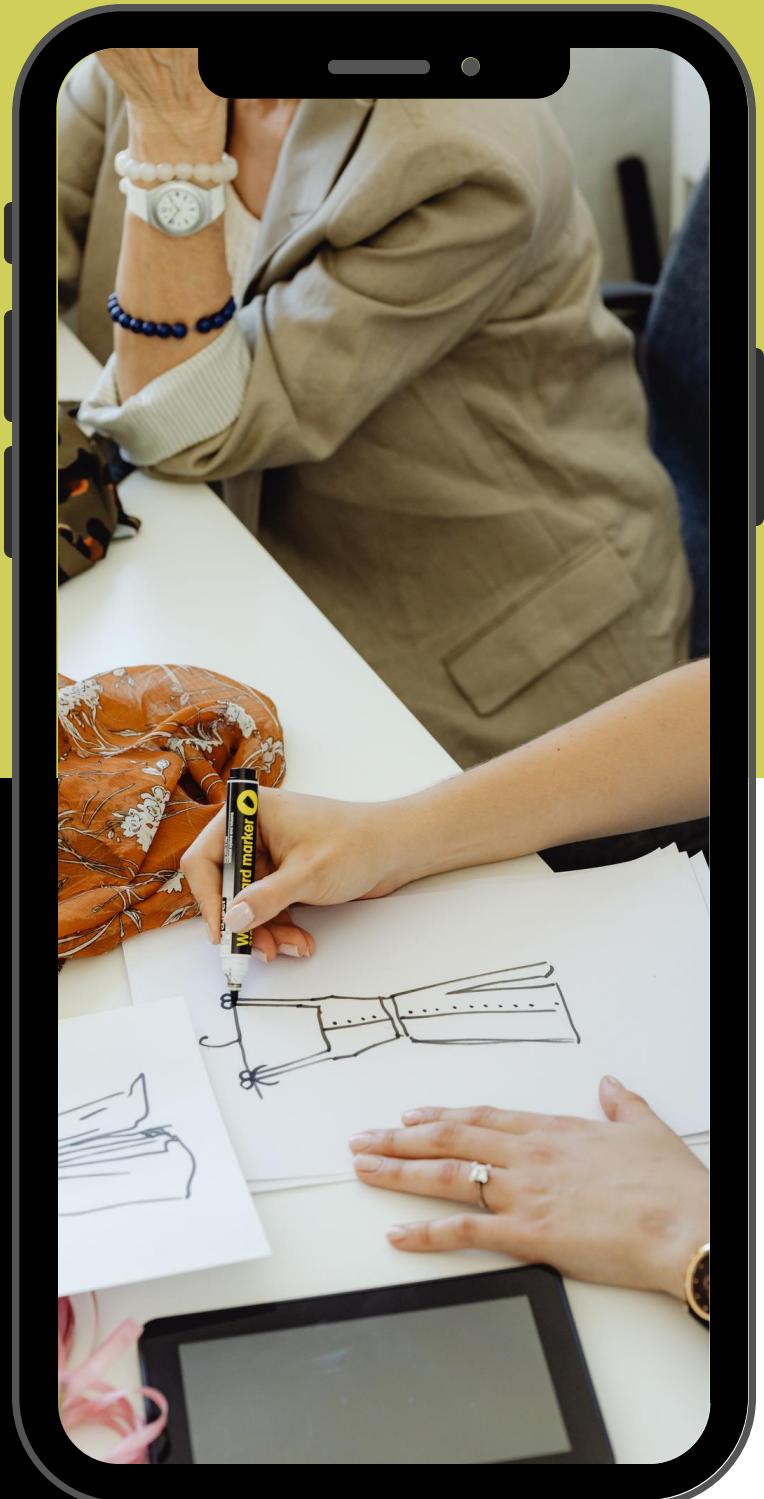
- **Eisenhower Matrix:** This tool helps you decide on and prioritize tasks by urgency and importance, sorting out less urgent and important tasks which you should either delegate or not do at all.
<https://www.eisenhower.me/>
- **Pareto Principle** (80/20 Rule): In business, a goal of the 80-20 rule is to identify inputs that are potentially the most productive and make them the priority.
<https://www.investopedia.com/terms/1/80-20-rule.asp>



Time management techniques

Tips

1. Create and maintain a list of tasks, prioritizing them and setting deadlines.
2. Divide complex projects into smaller, manageable steps.
3. Avoid overloading your schedule with unrealistic expectations.
4. Assign tasks to employees or outsource them when possible.
5. Short breaks can improve focus and productivity.
6. Don't overcommit yourself; prioritize tasks and decline requests that don't align with your goals.
7. Regularly evaluate your time management strategies and make adjustments as needed.
8. Use tools like [Asana](#), [Trello](#), or [Monday.com](#) to track tasks and manage projects.
9. Assign tasks to employees (if any) or outsource them when possible.
10. Assign priorities to tasks based on their impact and value.



Unit Summary



In this Unit you learnt about the necessary skills to be an entrepreneur. In detail, you learnt about financial management skills, time management skills, and how to develop the entrepreneurial mindset in general.

References

- <https://corporatefinanceinstitute.com/resources/management/time-management-list-tips/>
- <https://extension.uga.edu/publications/detail.html?number=C1042&title=time-management-10-strategies-for-better-time-management>
- <https://www.oracle.com/pk/erp/financials/financial-management/>
- <https://www.netsuite.com/portal/resource/articles/financial-management/financial-management.shtml>
- <https://www.nibusinessinfo.co.uk/content/ten-top-tips-improve-your-financial-management>
- <https://www.indeed.com/career-advice/career-development/entrepreneurial-skills>
- <https://www.bbc.co.uk/bitesize/guides/zpx7gdm/revision/8>
- <https://www.goodwin.edu/enews/entrepreneurial-skills-to-master/>