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TECHNICAL REPORT NO. 4: MANUAL FOR ENTREPRENEURSHIP MOTIVATION TRAINING


Based on the work of Herminia R. Fajardo, entrepreneurship development programme expert.

Backstopping officer: Seiichiro Hisakawa, Institutional Infrastructure Branch

United Nations Industrial Development Organization
Vienna

* This document has not been edited.

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ABSTRACT

The Entrepreneurship Motivation Training (EMT) Manual is a modification of the Entrepreneurship Induction Programme (EIP) of the National Industrial Development and Finance Organization (NIDFO).

Changes introduced are mainly in the increase in hours allocated for entrepreneurship behavioral and attitudinal development aspects. A series of questionnaires to assess the entrepreneurial motivation, inclination and readiness of participant small-scale industry entrepreneurs are also incorporated. The results of the assessments are to be used in the determination of entrepreneurial potentials of the participants which will qualify them for the basic business management course and eventual financial assistance should their projects be found viable.

The manual includes a set of reading/training materials for the guidance of course coordinators and resource persons that will be involved in the conduct of the course.

The training programme covered by this manual has been successfully pilot-conducted by NIDFO on 25 to 28 March 1991 as the 1st EMT.
INTRODUCTION

This manual has been designed for the entrepreneurship motivation module of the entrepreneurship development programme (EDP) of the National Industrial Development and Finance Organization (NIDFO). Using the Entrepreneurship Induction Programme (EIP) being run by NIDFO as the core and taking note of the findings and conclusions on the assessment of the EIP as incorporated in the EDP Expert Report No. 2: Assessment of the Entrepreneurship Development Programme, NIDFO, a re-structuring of the course outline was done.

The manual design was undertaken from 11 to 18 March (6 working days) and forms part of the design of the Entrepreneurship Development Programme, NIDFO.

Inputs into the manual were obtained from Mr. R.A.B. Johnson, OIC, Development Services, the EDP Specialists (UNV and NIDFO). (The latter is working on a translation of the manual into Krio language). Likewise, a format of the adaptation of the manual for illiterate participants is envisioned to be prepared in the future.

I. OBJECTIVES

General: To assist the participants in reinforcing his/her motivation and motive-related behaviour that will increase the probability for entrepreneurial success.

Specific: 1. To appraise the participants of the environment in which he/she operates his/her business;

2. To enable the participants to recognize entrepreneurial qualities that lead to success;

3. To stimulate and strengthen the participants' role as an entrepreneur;
II. TIME DISTRIBUTION

Total available time (5 days x 6 hours) = 30 hours

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<td>Activity: Your Entrepreneurial Wealth</td>
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IV TARGET PARTICIPANTS

Participants in the EMT are those entrepreneurs who have passed through the selection process as specified in Report No.3: NIDFC Entrepreneurship Development Programme. This means that only those with identified potentials for development will benefit from the training.

A group of 25 participants must be the maximum in every training programme to maximize the benefits from the learning process.

The group must be homogeneous specifically on literacy to avoid having to bring down the delivery system to suit all participants. Programmes for literates must be separated from illiterates. A different programme must be designed for the latter.

V NOTES ON THE USE OF THE MANUAL

The EMT has been designed with due provision for aligning objectives, restructuring sequences of sessions, increasing time allocation for entrepreneurship motivation and behavioral aspects and down-playing management areas. In view of this any revision incorporated in the future must adhere to the fluidity of topic sequencing as each session feeds into the next. Exercises and questionnaires are likewise scheduled in a build-up sequence to make the participants continuously aware of the attitudes and behaviour that need strengthening.

Some guidelines for the use of the manual are:

1. Course coordination must be the responsibility of the Entrepreneurship Development Programme Specialist of NIDFC. This will allow for comparative assessment of each programme run, to determine need for modifications and relative evaluation of the before-and-after status of participants.

2. Each participant must be provided with a copy of the course outline.
3. When the manual has been translated into Krio, it would be advisable to provide all literate participants to have a copy of the full training materials.

4. Assignment of resource persons must assure that only those qualified to handle a topic are considered. Each resource person must adhere to the scope and details of each topic to avoid overlapping and duplications.

5. Although there maybe adequate staff in Ndfo to act as resource persons, it will provide variety if outsiders were invited for a few topics. This will expand the pool of resource persons and allow for more programmes run. Likewise, the Development Services staff are not tied up for the programme and can be free to attend to their regular task.

6. The resource person handling the exercises, questionnaire administration and case study must be thoroughly equipped to answer questions of participants as well as in the structure of administration as results obtained will reflect the development of the participants in entrepreneurial traits and skills. All questionnaires and forms used for exercises, etc. must be compiled for the individual participants file for reference in the extension work to be provided.

7. Exercises and questionnaires have their own instructions which must be studied by the resource person who will administer them.
VI. SPECIFIC GUIDE FOR COURSE COORDINATOR

1. Prepare programme at least one (1) week before scheduled date and distribute, as follows:

   (1) Each resource person must have a copy with a letter of invitation to handle the session(s) together with the training material corresponding to the session.

   (2) Each participant must be provided with a copy at the start of the programme with a folder with fastener.

2. Indicate the name and position or title of the resource person in the programme.

3. Give each participant a copy of the training materials at the start of each session to put in their individual folders.

4. Collect filled up questionnaires where applicable, for analysis and file in entrepreneur's NIDCO folder.

5. Introduce each resource person on the first session he/she handles.

6. Follow through each programme from preparation to completion. The process of each programme is your responsibility.

7. Maintain an attendance sheet of participants daily, morning and afternoon.
### VII. TRAINING MATERIALS

The following readings, cases, exercises and questionnaires have been prepared for use in coordination with the course outline. They are sequentially presented for ease in use.

1. **EMT/R-001** Role and Importance of Entrepreneurship in the Sierra Leone Economy
2. **EMT/R-002** Role of Government in Entrepreneurship Development
3. **EMT/R-003** Role of the National Industrial Development and Finance Organization (NIDFC)
4. **EMT/R-004** Institutional Framework for Development of Artisanal and Small-Scale Industries in Sierra Leone
5. **EMT/R-005** Problems of Artisanal and Small-Scale Entrepreneurs in Sierra Leone
6. **EMT/R-006** Role of the Entrepreneur and Process of Entrepreneurship Development
7. **EMT/E-007** Reasons for being in Business - Exercise
8. **EMT/Q-008** Entrepreneurial Self-assessment - Questionnaire
9. **EMT/R-009** Entrepreneurial Traits and Qualities
10. **EMT/G-010** Guidelines for Exposition by an Entrepreneur
11. **EMT/R-011** Entrepreneurial Task - The Challenge of Owning and Managing One's Own Enterprise
12. **EMT/Q-012** Assessing Your Entrepreneurial Inclination - Questionnaire
13. **EMT/R-013** Entrepreneurial Skills
14. **EMT/E-014** Exercise on Teamwork
15. **EMT/G-015** Case Study: Gary Coors, The Dreammaker
16. **EMT/G-016** Guidelines for Visit to an Entrepreneur
17. **EMT/R-017** Developing yourself for Entrepreneurial Success
18. ENT/Q-018 Determining your entrepreneurial readiness - questionnaire

19. ENT/R-019 Introduction to Management

ABBREVIATIONS:

ENT: Entrepreneurship Activation Training
R: Readings
E: Exercise
Q: Questionnaire
G: Guidelines
C: Case
ROLE AND IMPORTANCE OF ENTREPRENEURSHIP
IN THE SIERRA LEONE ECONOMY

Entrepreneurship has been identified as the most important factor to development. Activities of entrepreneurs influence social and economic conditions in a given group of people. Where there are no entrepreneurs there is no development.

Flashback to the Past

Thousand and thousands of years ago people lived in stone caves or in trees. They did not know how to build houses. They ate meat and fruits so that for a very long time, hunting was the primary means of livelihood. When there is food they ate as much as they could because they did not know how to keep food from rotting. When the herds of animals they hunted wandered off to other pastures, the people left their dwellings and followed where hunting could be done.

Life, therefore, was not easy and the people of long ago never knew that there might be another way of life.

Since, then, man had acquired some knowledge and skills. They have learned to settle down since they have developed better tools for catching animals and tamed them. They learned to use fire and plant crops. They also learned how to make earthenware for pots to hold and cook their food. Then they learned how to soften and pound metal into plates and bowls.

Still thousands of years back people learned to get together in settlements to form early communities. People built houses out of mud and grass. They learned how to communicate between settlements or villages by drums and smoke signals. A system of governing themselves evolved. A settlement grew in numbers of people. Lead chief, emanated as a consequence.

The people learned to weave cloth and baskets; paint cloth or wood from dyes obtained from tree barks and plants.
Gradually, people in villages developed means of trading with other villages. The early trading were by bartering, exchanging goods they produced with those they needed and were being made by others. In some instances, iron bars and gold bars were used to facilitate trade.

People started to travel far and wide to seek knowledge, fortune and adventure. This moving around led to further flourishing of trade and widespread sharing of knowledge. The monetary system evolved.

Standards of living improved and has been accelerated by development in technology for transportation and communication. Houses were made of wood, stones, cement, steel and glass.

Today we have the use of machinery, tools and other conveniences. There are motor vehicles for transport, electric or gas appliances for cooking and many other commercial and industrial products and services. Civilization has come a long way from the primitive way of life our ancestors led.

Agents of Change

After that travel back through time what has been the agents that brought about these changes? It cannot be just the natural resources available. It is the human being - man, who is responsible for the changes and improvements. This was possible because mankind has the desire and will to make things happen. Man has worked hard for tens of thousands of years towards the improvement of his life and will continue to do so.

However, not everyone worked hard and made things happen. Not everyone attempted to invent and learn new things, dared to travel, built new communities or defied what might have seemed to others as unchallenged. Those who did were more of exceptions than the general rule in their respective societies. Exceptional though they may be, they have been the ones who have made all the difference to mankind and society.
Such exceptional people had the courage to change the way things were. They had the personality and "spirit" which we now call entrepreneurial because they are the agents of change.

**Social and Economic Impact of Entrepreneurship**

People have many physical needs. Basically they need food, clothing, shelter and water. They also need transportation, paper, pen, books, umbrella, tools and utensils, footwear, comb, toothbrush, soap, sugar, salt, fuels, medicine and many others.

In a community it is difficult for everyone to be producing everything he needs for himself. For example the village farmer may be able to produce rice, vegetables and chicken but may not be able to produce his footwear, clothing, medicine, plates, and other things he needs. A busy doctor, accountant or lawyer provides professional services but depends on others for his electricity, transportation, food and shelter. So the people in a community depend on one another for the products and services needed in their daily life.

The need for a product or service represents an economic opportunity. People are willing to pay someone who will provide them with such needs. The ability of individuals to perceive the kind of products or services that others need and provide them when they are needed, where they are needed, at the right price is generally referred to as entrepreneurship. The more people involved in entrepreneurship in a society the faster that society develops.

The benefits resulting from such entrepreneurship explains why development takes place when a society is actively entrepreneurial.
1. **Entrepreneurship creates employment**

   When entrepreneurs put up a business, they need to hire or employ at least one or two people in order to get things done.

   When entrepreneurial activities slow down, the country's unemployment rate goes up.

   Every country would like all qualified members of its work force to be gainfully employed. When individuals are employed, they are able to feed their families, send their children through school, provide them with decent homes, acquire medical services when needed, and contribute to government revenue through taxes.

2. **Entrepreneurship improves the quality of life**

   Entrepreneurs continuously innovate and develop new products and services based on what they perceive as the needs of society. They also look for ways in which these goods and services could be more efficiently produced. Such innovative efforts lead to better machines and more efficient production systems.

   Entrepreneurial undertakings contribute significantly to the continuous improvement of living standards. The development of new products and the delivery of needed services make life more easy and comfortable for society in general.
For example, a housewife need not bake bread every day as a
baker has assumed this task for a community. She, therefore, need
not knead flour the day before, wait for the dough to rise, and
eventually bake the bread. The same housewife does not have to
boil oil and lye to make soap for laundry or bathing. An entrepreneur
is doing this for the community. For cooking she does not have to go
and gather firewood as this is being done by another entrepreneur.
For some, the development of an electric or gas cooking range further
eases their way of cooking by merely turning a knob. Refrigerators
developed by entrepreneurship enables the housewife to go to market
perhaps once a week as food may be stored without spoiling. Electric
irons make pressing of clothes more convenient as compared to charcoal-
heated flat irons. The development of medicine has brought down the
mortality rates as well as increased life expectancy.

3. **Entrepreneurship contributes to more equitable distribution
of income and therefore eases social unrest**

In a continuous search for raw materials for production of goods
and services, the entrepreneur often sees the economic potentials
of raw materials in the rural areas or waste materials from
agriculture. By putting up an enterprise in a locality where
materials are found, the benefits of development are dispersed to
other areas alleviating social tensions which are manifested by
urban migrations that cause overcrowding.

Entrepreneurship on a wide scale in the country will prevent
the development of a small elite rich class that breeds monopolies
in certain products and services. More entrepreneurs check and
balance each other.

As opportunities for income is more evenly distributed,
entrepreneurship also flourishes. People will have more money with
which to buy products and services they need.

Income that is evenly distributed means less poor people,
alleviating social problems like crime, theft, juvenile
delinquency and undernourishment.
4. **Entrepreneurship utilizes and mobilizes resources for increased national productivity**

Sierra Leone will develop faster economically if our resources were not left idle or unused. For example, there is plenty of scrap iron that can be processed to supply the needs of industries that manufacture spare parts for machinery and motor vehicles. They are also iron ore deposits in the North which can be processed for the same purpose.

Putting up small metal foundries to process iron or scrap steel does not only utilize available raw materials to feed other industries. It will also save foreign exchange and time in importation of spare parts and supplies.

Entrepreneurship also provides an avenue for making productive use of idle capital resources such as family or personal savings, which may remain unutilized or channelled to unproductive ventures or luxurious spending.

5. **Entrepreneurship brings social benefits through the government**

Government revenue from the collection of taxes, duties and licences paid by entrepreneurs as well as income taxes paid by workers are allocated to different services such as roads, bridges, educational and medical facilities and services, and maintenance of peace and order.

**Indication of Socio-Economic Development**

A country is described as rich or poor, developed, developing or less developed by the per capita income. This is the average earning of a citizen in a country. It is also a measure of the standard of living of the people of a country compared to that of other countries. A high per capita income indicates high entrepreneurial activity. The per capita income of Sierra Leone is among the lowest in the world.

**NOTE:** Adapted from *Introduction to Entrepreneurship* published by the Small Enterprises Research and Development Foundation in cooperation with the University of the Philippines - Institute for Small Scale Industries, 1989.
Entrepreneurship as a key factor to development has started
to be recognised by the Government of Sierra Leone as an avenue
to bring benefits to the country and people.

The role of the government is to see to it that all the pre-
requisites or factors of growth are made available. The government
is in the best position to formulate policies and design programmes
and projects aimed at encouraging entrepreneurship. Through its
ministries and agencies, the government sets the overall direction
of the country for entrepreneurship to flourish. The government
creates the business environment on which entrepreneurs are expected
to start and manage their enterprises successfully.

Only the government can make laws and regulations favouring
entrepreneurs. It is the wide extent of the government function that
allows it to be the most effective promoter of entrepreneurship
development.

Entrepreneurship plays a vital role in the economic development
of Sierra Leone but priority treatment is not given to them by
government policies and regulations. Existing policies and legislations
do not fully address themselves to the importance of this subsector in
satisfying the needs of the lower income group of the population.

A. The Development of Industries Act

The Development of Industries Act of 1983 stresses the
importance of utilising indigenous resources, raw materials, manpower
and technology in the industrialisation process. The Act did not
accord the small entrepreneur any preferential treatment against the
medium and large entrepreneur. The Act was passed to provide for
the development of industries in Sierra Leone by creating proper
incentives and guarantees to attract local expatriate and foreign
investments, to guide and regulate such investments. To administer
this Act an Industrial Development Department was established in the
Ministry of Industry and State Enterprises. The Department has a
Deputy Director responsible for Small Scale Enterprises.
Functions of this Department include the following:

1. Initiate, generate and organise investment promotion activities to develop Sierra Leonean entrepreneurship;

2. Encourage the training of Sierra Leonean nationals in management and technical skills;

3. Assist in their participation in the management of industries.

The incentives are:

1. Preferential treatment in granting import license;

2. Partial or total exemption from customs duty payable on capital equipment and raw materials;

3. Relief from surtax and income tax for a period of five years;

4. Eligibility for export credit guarantee scheme established by Bank of Sierra Leone;

5. Export Tariff exemptions under customs union arrangements;

6. All industrial establishments providing training facilities or incur training expenses for Sierra Leonean citizens shall be entitled to deduct such expenses from taxable income;

7. Exemption from payroll tax for any employer of an expatriate hired for such training.

**Capital Allowances**

1. Shall be computed and deducted from profits at an initial rate of 25% and 10% annually on both new or used machinery and equipment from abroad;

2. An investment allowance of 10% of the cost of capital.

Losses incurred during tax holiday period shall be carried forward and set off against the profits of the next five years following the tax holiday period.
The investor has the right to remit foreign capital and dividends subject to exchange control approvals.

No tax will be charged on any expenditure in respect of research conducted by any approved individual project.

3. The Public Investment Programme (PIP)

The PIP of 1981/82, 1982/83 aimed at reversing the process of economic decline the country had experienced since 1980. The immediate task of government was one of assisting existing viable enterprises and restricting the sector to bring it in line with the natural resources of the country.

It mandated:

1. Provision of information and consultancy service;
2. Concessional loans from the National Development Bank;
3. Rehabilitation and privatization of existing government owned enterprises;
4. Establishment of a non-governmental, autonomous and self-sustaining organization to undertake promotion and financing of the artisinal and small-scale productive sector, with the technical assistance of UNDP/UNIDO, known as the National Industrial Development and Financing Organization (NIDFO).
5. Credit Control Policy under which the financial institutions are to direct at least 10% of their total credit portfolio to the manufacturing sector;

6. Credit Guarantee scheme that covers Sierra Leonean owned extractive, processing or manufacturing activities with an original investment in plant and machinery not exceeding Le3.0 million.

The National Industrial Development and Finance Organization (NIDFO) is conceived as an institution providing a range of integrated package of development and financial services to ensure its commercial and financial viability while facilitating the self-sustainability of the assisted enterprises. It focuses on providing specialised services tailored to the needs of the artisanal and small-scale industrial enterprises primarily owned by Sierra Leoneans.

1. The major thrust of its assistance is to re-orient the minds of the local people on the importance of the artisanal and small-scale industrial enterprises in the economic development process of the nation and to stimulate, develop and sustain entrepreneurship development in the country. This is done, in part through a sustained programme to encourage and help prepare those, who have sound basic entrepreneurial attributes and motivation.

The Development Services Division of NIDFO, is designed to provide potential small-scale industrialists with basic rudiments of establishing and maintaining viable industries. This would be achieved through the provision of basic managerial and technical training to local entrepreneurs as well as assisting them in finding solutions to problem areas.

2. The programme is designed to stimulate and strengthen the entrepreneurial qualities of Sierra Leoneans and develop the qualities capable of taking moderate risks in the process of establishing and managing their enterprises.

The Development Division will conduct entrepreneur screening and motivation courses in co-operation with in-house technical and managerial expertise. It will also collaborate with local training institutions in providing up-to-date technical and managerial training.
Finally it will assist entrepreneurs in preparing business plans acceptable to financing institutions and provide assistance in the implementation of the project.

3. The Financial Service Division is designed to assist entrepreneurs in funding viable projects after the necessary appraisals have been made. Basically three types of financing are provided: short term, medium term and equity participation.

**Short-term Finance** are available for periods of less than one year. The principal types of short-term finance include trade credit and overdraft. Overdrafts are generally used as a cushion against shortage of cash for the operational needs of the borrowers. It is essentially meant for meeting net working capital requirement.

**Medium Term Finance** is for fixed period between one and up to 3 years with repayment of principal and interest on an agreed basis during that period. It is generally used to invest in assets such as machinery, equipment and/or workshop. The loans are tailored to suit the needs and repayment capacity of the borrower and consequently its terms are flexible.

**Equity Participation**

Normally, a proponent is expected to have his own stake in the enterprise to ensure his commitment to the execution of the project as agreed. This comes in by way of Equity Capital.

However in cases wherein HIFC's assessment shows the proponent and project are considered bankable, it could also invest in the project with a limited capital not exceeding 10 percent of the total project cost.

**NOTE:** Prepared by Rbabu Jethwa, OIC DEVELOPMENT SERVICES, HIFC.
INSTITUTIONAL FRAMEWORK FOR DEVELOPMENT OF ARTISANAL AND SMALL-SCALE INDUSTRIES IN SIERRA LEONE

This session highlights the existing institutional framework for the promotion and development of Artisanal and Small Scale Industries (ASSI) in the country. It provides entrepreneurs with a check list and activities of public and private institution aiding the promotion of ASSI.

The role of ASSI in the industrializational process of the country has been considered of paramount importance and attracted action-oriented plans from the Government, private institution and non-governmental organizations. This sub-sector includes (i) Cottage industries processing mainly agricultural produce; (ii) Handicraft Units using specialised skills of craftsman and (iii) Small Scale Enterprises using traditional technology. With their low capital base, labour intensity and simple technology value added is high at 55 per cent. Their contribution to Gross Domestic Product (GDP) is 3% and the sector provides 8% of the wage employment. Generally it employs less than 6 persons, and meet the local consumption needs, particularly in rural areas. Their line of activities include textile, tailoring and leather 50%, woodwork 1%, technical repairs 8%, electrical repairs 8%, etc. Because of the ease of the entry and the low level of skills required they have been the main bulwark against rural unemployment and under-employment in urban/semi-urban areas.

The small-scale industrial units comprise those using a mix of traditional and simple modern electrical/mechanical equipment; the employment in each unit is between 6 - 19 persons; utilizing indigenous resources and labour intensive technology. They are technical repairs, textile, leatherworks, woodwork, metal works and electrical repairs, and are less dependent upon imported inputs. Their value added is as high as the artisanal-sub-sector.
PUBLIC SECTOR'S ASSISTANCE TO ASSI

In the public sector the following institutions aid the development of ASSI:

1) Ministry of Industry and State Enterprise
3) Central Statistics Office
4) Bank of Sierra Leone

A. Ministry of Industry and State Enterprises

Within the Ministry is the Small-Scale Industrial Department, headed by an Assistant Director and charged with the responsibility of aiding the promotion of ASSI activities in the country. It undertakes the following functions:

1) Registration of Artisanal and Small-Scale Enterprises (ASSU) in the country
2) Formulate, implement and monitor government policies
3) Assist ASSU in preparing bankable projects
4) Conduct periodic study on the problems affecting the development of ASSU
5) Provide training for ASSU in selected area of activities
6) Assist entrepreneur in finding joint-venture partners
7) Provide concessions and incentives for ASSU development

B. Ministry of National Development and Economic Planning

The Central Planning Unit and Central Statistics Office of this Ministry are equipped with competent personnel to provide information to ASSU in the following areas:

1) Market opportunity - Demand and supply
2) Technology information
3) Training of entrepreneur through assistance to training institutions
4) Link with UNIDO, UN and other multi-national agencies for assistance
C. Bank of Sierra Leone

Under the aegis of the Bank of Sierra Leone the Rural Bank Scheme was launched in 1985 to utilize rural savings and channel this to productive sectors in the rural economy.

The Central Bank also operates Credit Guarantee Scheme for loans provided to ALBE by any financial institution. For an enterprise to be qualified for such assistance it should pay a fee equivalent to 1% of the cost of the loan requested.

PRIVATE SECTOR'S ASSISTANCE TO ALBE

Assistance from the private sector to the development of ALBE are in the area of documentation and financing. The Commercial Banks provide short term and long term loans to ALBE. In order to be qualified for these loans however, the entrepreneur should prepare bankable projects acceptable to the banks.

Short term loans are provided to meet working capital requirements while long term loans are for capital investment. The banks have been profit oriented and security-conscious, generally chided away from the relatively high-risk area of project financing, particularly in the ALBE sub-sector.

There are a number of local consulting firms capable of preparing feasibility studies acceptable to financing institutions. These however could only be performed for a fee to be paid by the entrepreneur. These firms could assist entrepreneurs in the selection of plant and equipment as well as the identification and acquisition of material inputs.

Non-governmental Organizations

The non-governmental organizations involved in the development of:
1) Sierra Leone Opportunity Industrialization Centre (SLOC)
2) EUBP
3) PLAN International
4) Foreign Embassies
The activities of SLCIC and MIDFO are similar in nature as they provide training and finance to ASSE. MIDFO however provides additional assistance to entrepreneurs in the area of:

1) preparation of feasibility study
2) selection of plant and machinery
3) market promotion
4) extension services

PLAN International

PLAN's assistance to ASSE are intended to improve the living conditions of PLAN assisted families. These projects are to be located in the rural areas and owned by the PLAN families. Their assistance are geared towards the provision of equipment and material inputs for the successful implementation of the projects.

Foreign Embassies

A number of foreign embassies in Sierra Leone do provide limited capital to small scale establishments, e.g. French, German and British. The projects should however fulfill their criteria and fall within their target group and area of activities.

PROBLEMS OF ARTISANAL AND SMALL-SCALE
ENTREPRENEURS IN SIERRA LEONE

The artisanal and small-scale entrepreneurs in Sierra Leone face a number of problems which may be similar to those encountered by entrepreneurs in larger enterprises. Other problems, however, appear to be peculiar to the small entrepreneur.

From the HIDPC files of entrepreneurs the most cited issues that have to be overcome are listed hereunder in accordance with the functional management areas:

1. Marketing

   1) Inadequate transportation facilities affecting distribution of products as well as costs of distribution;
   2) Too much competition affecting product pricing;
   3) Inherently small domestic market size;
   4) Poor product quality to meet market needs.

2. Production and Operations

   1) Electric power shortage causing production interruptions which reflect low capacity utilization;
   2) Shortage of machinery and equipment;
   3) Inefficient and outdated machinery and equipment magnifying machine breakdown;
   4) Inadequate water supply;
   5) Fuel shortage;
   6) Lack of technical knowhow;
   7) Increasing materials and supplies costs;
   8) Shortage of raw materials supply;
   9) Deficiency in communication facilities;
   10) Unsatisfactory conditions of land and building occupied.
3. Finance

1) Inadequate fixed as well as working capital;
2) Difficulty in access to credit facilities;
3) Dependency on self-capital and traditional sources of credit;
4) Foreign exchange limitation.

4. Labour

1) Shortage of skilled manpower which requires entrepreneur to bear the burden of training apprentices;
2) High turnover rate of trained labour that tend to move to larger units where there may be higher pay.

5. General Management

1) Inadequate knowhow on management;
2) Inability to maintain records.
ROLE OF THE ENTREPRENEUR AND PROCESS OF ENTREPRENEURSHIP DEVELOPMENT

Role of an Entrepreneur

What does the entrepreneur do? Broadly speaking there are eight entrepreneurial functions:

The Entrepreneur:

1. **Perceives opportunities in the environment**

It takes an entrepreneur to respond in a concrete way to an opportunity in the environment. Others may see the opportunity, hear about it, learn about it or even have some experience in it, but only the entrepreneur does something about it.

The entrepreneur keenly observes the environment in search of ideas and opportunities that can be turned into profit. For instance, he takes note of the kinds of raw materials that are abundant and cheaply available in the area and relates these materials to the needs of people around him.

2. **Takes risks**

The entrepreneur does not merely perceive ideas as opportunities but also calculates the risks involved in implementing these ideas. Risk denote uncertainty or chance. In other words, there is a chance that the business may fail as there is that it may succeed. When an entrepreneur calculates the risks of a business, he estimates the odds for success as well as for failure. On the basis of these estimates, he decides whether to go ahead with the business or to forget about it. When he decides to go ahead despite the chances for failure, he takes a risk.

Because of the risks inherent in the entrepreneurial role, not many people like to be entrepreneurs. Only those few ones who are willing to accept the risk of a great opportunity.
Entrepreneurs, however, take risks because they focus their attention on the chances for success rather than the chances for failure. They are alert to the possibility of failure which makes the enterprise more challenging to them. They want to prove that they can overcome such adversities through their own ingenuity.

We are enjoying the use of many things today because somewhere sometime, an entrepreneur was not afraid to fail and took the risk because he believed in himself and his ideas.

3. Produces Capital

Most people are kept from going into business simply because they have no capital. Real entrepreneurs never allow lack of capital to stop them from getting ahead.

An entrepreneur must be resourceful in identifying sources of capital. He produces the capital in so many ways. He may look for investors who will believe in his project and share the risk with friends or relatives and establish a partnership or a corporation. He may also borrow funds.

Many entrepreneurs put up their own capital. This indicates the remarkable ability to take risks.

4. Introduces innovations

One of the hallmarks of the entrepreneur is innovativeness, which partly explains why he is said to propel progress and development. The entrepreneur introduces new products, new ways of doing things, new methods of production. He exploits new sources of materials and creates new markets. He is creative.
Being innovative is essential in order to survive in business. If one's products or processes are antiquated, chances are that some other entrepreneur who are more creative will take the market away for themselves.

5. Organizes the business

The entrepreneur is responsible for getting together all the resources needed for the business to get started and going. He is the one who thinks of what, how, where, when and how much land, labour, and capital are needed to transform an idea into a real functioning enterprise. In other words, he is the organizer of the business. It is through him that activities needed are identified and done by the right people at the right time.

Once an entrepreneur sets up an enterprise, he often hires people to work with him. He identifies the needs of the business in terms of talents or abilities and then looks for people who do not only fit these requirements but who have the drive as well to work with him. Then he gets all these people together, he supervises them and coordinates their activities as a working unit. He is able to get them involved in working towards the attainment of the goals of the enterprise. By doing so, he accomplishes more than he ever can by his lone self.

Sometimes the entrepreneur has a good business idea for which he is willing to take risks, but he does not possess all the technical skills necessary to carry the idea through. He must look for the skill he does not have in other people and put resources together.
The entrepreneur monitors all activities of his workers so that the output of one is ready when the other needs it. He must coordinate the activities of production and sales. He must see to it that orders are fulfilled on time, that products are of the desired quality, that deliveries are done as promised, and that all transactions are recorded.

6. Makes decisions

The business situation involves a number of unknown and uncontrollable factors which may affect the success or failure of the firm. Under these conditions of uncertainty, the entrepreneur considers all alternatives open to him to solve a problem, ranks these alternatives in terms of usefulness to the business, and chooses that course of action which is most useful for the business.

When the business is still young and small, decision-making is one task that the entrepreneur cannot pass on to an assistant or a worker. He has to do this himself. When the business is bigger he has to delegate the making of certain decisions to subordinates, but he takes responsibility for major decisions.

In business, several decisions are made each day. What to do with the customer who is complaining of a product defect? Should the price of a product be lowered because a competitor has done so? The needed raw materials are not available on time — a needed worker is absent — another wants to take a vacation — another wants an increase in wages — many decisions! The entrepreneur alone accepts the responsibility to make such decisions. Hence, he must organize his time and his priorities so that he can meet the demands of his role as decision-maker.
7. **Plans ahead**

The entrepreneur must be able to anticipate events in the future that will affect his business. He should also be able to prepare for consequences of his actions well in advance. His task as an entrepreneur requires investments that can only be recovered through time (not at once). Therefore, he must be able to forecast alternative actions and their consequences even before they actually happen. He must determine future possibilities and prepare adjustments to these conditions should they happen. In so doing, he limits the factor of uncertainty and increases his chances for success.

8. **Sells his products at a profit**

The entrepreneur is an economic individual. He sees to it that his products will sell and bring him money. He establishes relationship with customers in a personalized manner so that they will choose to buy his products or services again and again.

For an entrepreneur who is just starting in business and who depends on it for his own and his family's livelihood, the profit will be very important for survival. It will be very difficult for the business to survive if the entrepreneur is not earning enough to sustain himself and his family. In the very real sense, however, the entrepreneur does not want the profit just to eat and live.

To the entrepreneur the profit is a concrete indicator of how well he has managed his business from the start. The profit shows how the market accepted or rejected his product. Low profits prompt him to investigate whether he is producing the right product or service for the right people at the right time and place. High profits indicate to him that he is going in the right direction. This spurs him to perform better.

Without profits there are no entrepreneurs. It is both a reward and motive of entrepreneurship.
The process of entrepreneurship development is a gradual and continuous one. The process of entrepreneurship development by NIDFO consists of the following activities:

1. **Identification and Selection**
   
   Not everyone can be an entrepreneur. There are identifiable traits in an individual that indicate potentials for success in business. These are identified through tests and interviews.

2. **Entrepreneurship Motivation**
   
   Those entrepreneurs who have been selected are exposed to entrepreneurship motivation and entrepreneurial skills development.

3. **Strengthening of Managerial Skills**
   
   The selected entrepreneurs whose motivation and entrepreneurial skills have been strengthened by the entrepreneurship motivation training are made to undergo a management skills training to prepare them for the needs of business survival and growth.

4. **Technical Training**
   
   Where found necessary assisted entrepreneurs are channeled to the required technical training to assist them in product design, quality improvement and production efficiency.

5. **Extension Service**
   
   A NIDFO entrepreneur beneficiary for assistance is reared and assisted by Extension Workers to see to it that their entrepreneurship is sustained to a successful continuity.
6. Information

Whenever available, information that will be useful to the entrepreneur shall be provided.

NOTE: Adapted from Introduction to Entrepreneurship published by the Small Enterprise Research and Development Foundation in cooperation with the University of the Phillipines - Institute for Small Scale Industries, 1989 and Entrepreneurship Development Programme, NIDFO.
REASONS FOR BEING IN BUSINESS EXERCISE

Your reasons for wanting to put up a business are just as important as the type/nature/form of that business. Here is a short check list of reasons most people have for wanting to be in business.

Check those which apply to you.

MONETARY

................ To earn a living
................ To get rich
................ For additional income/profit
................ For financial stability/security

SOCIAL

................ To gain prestige/status
................ To be recognised and respected
................ To be a model to others
................ To meet people

SERVICE

................ To employ people
................ To up-grade the community
................ To help the community's economy

FAMILIAL

................ For son's/or family's future
................ To win wife's/husband's loyalty
................ To please father/mother

SELF FULFILLMENT

................ To be own boss/be independent
................ To achieve/fulfill something through business
................ To avoid employment
................ To be productive; use personal abilities
................ As challenge to own capabilities
New go back to the list and rank your reasons according to importance, record them here; with 1 as most important and 5 as least important.

1.
2.
3.
4.
5.

Note what you have written as No. 1. This indicates your main motive for setting up your business. Is it a good enough motive?

Motives which relate to an individual's need for self-actualization exert the most influence on behavior because actions motivated by these needs tend to persist in time. This follows because self-actualization is a life-long process. It is a need within a person to respect himself, to feel fully human and dignified in every respect. This need is the last of all human needs that gets satisfied because it is not vital for survival.

You have several other needs and wants that demand satisfaction and which underlie your every behavior. This needs differ in intensity in terms of their effects on behavior. Once satisfied, a need ceases to motivate your actions and other pressing needs attract your attention.

These needs are arranged by Maslow as shown above.
Examine your reason for setting up a business. Are they anchored on your need for self-realization? Or on lower needs? Are your motives mainly security, social or psychological reasons? Is it mainly money and profit that you want?

Understand that a worthwhile business usually does not pay back immediately but only after years of good efficient hard work. You must be prepared to lose in the first few months (or years) because you actually will have to give out more money and energy than you will initially receive in return.

Can you see why your motive should be anchored on self-fulfillment? If it is not, you are likely to get frustrated because of the length of time it takes for returns to come.

Actions motivated by the need for self-actualization tend to persist in time. Perseverance stems from the nature of the need. It takes a lifetime to satisfy and it is vital to one’s self-respect. In business, persistence and perseverance can be a most valuable asset in meeting the inevitable. Temptations to quit will be plenty and inviting. One must have the will to go on. Are you prepared to stick to your goals and plans? Would you meet the challenge?

**SCORING**

The results of the ranking by the participants of the five (5) main reasons for their being in business are tabulated against the ideal score, as follows:
<table>
<thead>
<tr>
<th>Factors</th>
<th>Ideal Score</th>
<th>Participants Ranking</th>
<th>Weighted Score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(1) x (2)</td>
</tr>
<tr>
<td>Self-fulfillment</td>
<td>5</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Service/Self-Esteem</td>
<td>4</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>Social</td>
<td>3</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Familial/Security</td>
<td>2</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Monetary/Physiological</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
<td></td>
<td><strong>49</strong></td>
</tr>
</tbody>
</table>

**Interpretation:**

44 - 55 - High motivation for business success.

33 - 43 - Moderate motivation, needs further strengthening.

22 - 32 - Low motivation, may abandon business when immediate gains are not seen.

Below 32 - Poor motivation, not suited for business.

**NOTE:** Adapted from *Entrepreneur's Hand Book* published by Technonet Asia, Singapore, 1981.
ENTREPRENEURIAL SELF-ASSESSMENT

The key to success in business is knowing one's self. Do you have the entrepreneurial spirit? How much of the personal characteristics of the successful entrepreneur do you possess? Do you have the right motivations for going into business? Have the events and circumstances of your life prepared you for the entrepreneurial role?

To answer these questions, we will lead you through a journey in self-exploration.

Following are 25 statements in which you may agree or disagree with. Think carefully before answering. Answer all items honestly.

As you read each statement, ask yourself how strongly you feel and think about it. Rate yourself according to the following scale by writing the appropriate letter on the space provided:

Each statement:

SA - strongly agree
A - agree
? - not sure
D - disagree
SD - strongly disagree

1. Mistakes and failures overwhelm me so much I cannot learn from them.

2. While my product/service may not entirely be new, I am thinking of new and better ways to make it competitive.

3. I do not fear investing my money on a venture whose dividends I have calculated.

4. I believe problems and barriers can be turned into opportunities that can be exploited.
5. I do not get upset when given a negative feedback about my product.

6. I cannot be away too long from my business because no one else but I can manage its activities.

7. When I do something, I see to it that it gets done excellently.

8. I do not enjoy working in a team as a leader. I would rather be a member.

9. I wait for other people to originate ideas and action.

10. I find nothing wrong in asking for advice regarding how I will run my business.

11. I consider a customer who complains against my product as my enemy.

12. I can be directive as a leader but in a way that makes people willing.

13. I do not mind routine unchallenging work, if the pay is good.

14. I enjoy activities where I get information on how well or how bad I am doing.

15. I avoid changing the way things are done.

16. I find it difficult to win friends and influence people.

17. I do not give up easily, even in the face of difficulties.

18. Even if I am capable, hardworking and ambitious, if I do not have the money I cannot start a business.

19. I get discouraged by a NO from a buyer because I do not think I can convince him to buy my product.
20. Once I have started on a task, I usually carry it to its completion. ..............................................

21. I find it difficult to come up with new, wild or even crazy ideas. ..............................................

22. I am unable to work consistently on a goal when I meet some obstacles. ..............................................

23. I do not need a good knowledge of my market to be successful in business. ..............................................

24. I have confidence in my ability to succeed. ..............................................

25. I think of negative consequences to acts and decisions that I make. ..............................................

Scoring:

Give yourself one (1) point for each SA or A response for statements 2, 3, 4, 5, 7, 10, 12, 14, 17, 20, 24 and 25.

Give yourself one (1) point for each SD or D response for statements 1, 6, 8, 9, 11, 13, 15, 16, 18, 19, 21, 22 and 23.

Add your points and see how your rate in the categories below:

21 - 25 Your entrepreneurial potential looks great.

16 - 20 You could be quite successful if your other talents and resources are improved.

11 - 15 With some serious work you can probably develop the outlook you need for running your business.

6 - 10 Things look pretty doubtful for you as an entrepreneur. It would take considerable changing of your attitudes and behavior to make it.

0 - 5 Entrepreneurship is not for you. However, learning what it is all about may still be worthwhile. Who knows, you might marry an entrepreneur.
ENTREPRENEURIAL TRAITS AND QUALITIES

In previous sessions we have learned about the unique and diverse functions performed by an entrepreneur. Let us now look into the qualities common among individuals who are willing to undertake entrepreneurial functions. We will try to find out what is there in the entrepreneur's personality that makes him behave the way he does.

The Development Services staff of NIDFO has identified sixteen (16) entrepreneur characteristics that are significant in successful Business ventures which are grouped into three (3) sets, as follows:

A. MOTIVATION/BEHAVIORAL CHARACTERISTICS
   1. Self-confidence
   2. Perseverance/Determination
   3. Energy/Diligence
   4. Need for Achievement
   5. Initiative
   6. Responsiveness to suggestions
   7. Profit Orientation
   8. Perceptiveness
   9. Innovativeness
   10. Intelligence

B. TASK/FUNCTION ORIENTED CHARACTERISTICS
   1. Ability to take calculated risk
   2. Ability to get along well with people
   3. Time competence/efficiency
   4. Ability to make decisions

C. KNOWLEDGE/SKILLS ORIENTED CHARACTERISTICS
   1. Versatility; knowledge of product, market, machinery and technology
   2. Foresight
It will be seen that some of these characteristics may be combined as discussed hereafter.

1. Self-confident

Entrepreneurs are well known for being self-confident people. They tend to believe that they can do better than what other people or what the circumstances suggest they can do. In other words, they tend to overestimate their chances for success. However, this tendency to be over-confident happens only under new conditions or situations where he has no previous experience on which to base his estimates of risk. When he has no actual knowledge of how well he can do things, and when outcome, therefore, appears to depend upon his own abilities, he tends to get higher levels of expectations. This is why other people see him as over-confident and seldom share his enthusiasm about new ventures in business. This quality also explains partly why entrepreneurs take risks; because they believe in their ability to influence outcomes more than other people do.

Entrepreneurs, however, are not impractical people who live in a dream world. They do rely on facts whenever they are available and adjust their estimates of risks accordingly. Whenever facts are absent and they believe that the outcome is due to luck then they also play it safe. It is only when past experiences are not available, and when it is not luck but personal effort that largely influences results, that the entrepreneur begins to display his enormous self-confidence.

Real entrepreneurs apparently succeed in business because of their tremendous confidence in themselves which other people often cannot understand. Thus when an entrepreneur falls short of his goals he is branded as over-confident. But the entrepreneur looks at it differently. He blames his failure on lack of facts. Thus failure does not discourage him so much as to stop him from being an entrepreneur. When the next opportunity comes, he is even more confident than before because he is fortified with facts he has gathered from his past failures.
Entrepreneurs are people who accomplish things. They have what psychologists call the "need to achieve" or n-ach, characterized by a pre-occupation to perform tasks excellently for the sake of excellence rather than for rewards of prestige, money, recognition or power. When entrepreneurial individuals work on something, they like to know afterwards that it was a job well done. Knowing this is enough to make them happy. The entrepreneur cares little if he gets a pat in the back or that he gets to become a hero-leader to command others as a result. He works hard (energy/diligence, perseverance/determination) for the sense of personal accomplishment the job will give him and not simply for the sake of working.

An achiever works hard only when the task is challenging and when he feels that meeting the challenge will give a sense of unique accomplishment. Otherwise, he will not perform better than others.

As individuals with high n-ach, entrepreneurs have been found to be goal-oriented (profit orientation) in whatever they do. They always think of what it is they really want to accomplish in the long run (foresight) and what today's activity means in terms of that which they eventually want. They are always aiming for something, and often their aims are not ordinary. That is why they are called ambitious.

The goal of an entrepreneur reflects a need to measure up to some standard of excellent performance. Their goals may reflect their wanting to accomplish something unique or novel to make an impact on the world outside themselves. Their goals often reflect a long-term perspective.

They appear to deliberately and eternally look for challenges (perceptiveness). They like the feeling of having accomplished something by their own efforts (independence). They set high standards for business performance producing high quality products. They see competition as healthy and are not afraid to face it. They even enjoy some degree of competition.
Problems along the way do not overwhelm the entrepreneur. He seeks solutions to them, and acts to solve them quickly (make decisions). As an achiever he is optimistic about getting ahead in the future. He knows that by moving effectively he will attain his goals in the end.

3. **Innovative**

Entrepreneurs innovate or approach situations in new or better ways all the time. They enjoy exercising their manual and creative abilities. They stretch their imagination and personal initiative so that they find new ways of putting things together. They are full of questions. Can this product be made larger or smaller? Can it be made round or square? Can it be narrower or wider? Can it be done faster or slower?

Entrepreneurial people like to create because they enjoy the feeling of having accomplished something personally (n-ach). It is said that entrepreneurs are not after money for money's sake but for the personal success that money symbolises. As the one responsible for starting and running a business, the entrepreneur knows that he has succeeded if he makes money from it (profit-orientation). Thus, profits are important to him because it is a measure of his achievement.

4. **Calculated Risk-Taker**

The entrepreneur calculates the risks he has to take. Most entrepreneurs are moderate risk-takers.

Moderate-risk activities are those whose outcome depends largely on a person's skills or efforts so that the outcome is his responsibility.

Entrepreneurs are known to be individuals who are, not afraid to take risks. However, they like to take only "calculated risks". They are not so foolhardy as to undertake activities where they know nothing at all about the possibilities for success or failures.
It must be accepted that there are as many sets of characteristics as there are numbers of people drawing them up. Some commonalities are identifiable though. Following are characteristics identified by the CTA, DF/SIL/87/003 and which are being used in the NIDFO programme. As time goes on modifications by deduction, addition as well as combination may be done to suit the purposes of the entrepreneurship development programme.

<table>
<thead>
<tr>
<th>Core Competencies</th>
<th>Entrepreneurial Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Initiative</td>
<td>Does things before being asked or force by events. Acts to extend the business into new areas, products, or services.</td>
</tr>
<tr>
<td>2. Sees and acts on opportunities</td>
<td>Sees and acts on new business opportunities. Seizes unusual opportunities to obtain financing, equipment, land, work space, or assistance.</td>
</tr>
<tr>
<td>3. Persistence</td>
<td>Takes repeated or different actions to overcome obstacles. Takes action in the face of a significant obstacle.</td>
</tr>
<tr>
<td>4. Information seeking</td>
<td>Does personal research on how to provide a product or service. Consults experts for business and technical advice. Seeks information or asks questions to clarify a client's or supplier's needs.Personally undertakes market research, analysis, or investigation. Uses contacts or information networks to obtain useful information.</td>
</tr>
<tr>
<td>5. Concern for high quality of work</td>
<td>States desire to produce or sell a top or quality product or service. Compares own work or own company's work favourably to that of others.</td>
</tr>
</tbody>
</table>
6. Commitment to work contract
Makes a personal sacrifice or expends extraordinary effort to complete a job. Accepts full responsibility for problems in completing a job for customers. Pitches in with workers or works in their place to get job done. Expresses a concern for satisfying the customer.

7. Efficiency
Looks for or finds ways to do things faster or at less cost. Uses information or business tools to improve efficiency. Expresses concern about costs vs. benefits of some improvement, change, or course of action.

8. Systematic planning
Plans by breaking a large task down into sub-tasks. Develops plans that anticipate obstacles. Evaluates alternatives. Takes a logical systematic approach to activities.

9. Problem solving
Switches to an alternative strategy to reach a goal. Generates new ideas or innovative solutions.

10. Expertise
Had experience in the same area of business. Possess strong technical expertise in area of business. Had skill in finance, accounting, production, marketing/selling and other relevant business areas before starting business.

11. Recognising own limitations
Explicitly states a personal limitation. Engages in activities to improve own abilities. States learning from a past mistake.
<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>12. Persuasion</td>
<td>Convinces someone to buy a product or service. Convince someone to provide financing. Convinces someone to do something else that he or she would like that person to do. Asserts own competence, reliability, or other personal or company qualities. Asserts strong confidence in own company’s products or service.</td>
<td></td>
</tr>
<tr>
<td>13. Use of influence</td>
<td>Acts to develop business contacts. Uses influential people as agents to accomplish own objectives. Selectively limits the information given to others. Uses strategy to influence or persuade others.</td>
<td></td>
</tr>
<tr>
<td>14. Assertiveness</td>
<td>Confronts problems with others directly. Tell others what they have to do. Reprimands or disciplines those failing to perform as expected.</td>
<td></td>
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<tr>
<td>15. Monitoring</td>
<td>Develops or uses procedure to ensure that work is completed or that work meets standards of quality. Personally supervises all aspects of a project.</td>
<td></td>
</tr>
<tr>
<td>16. Credibility, Integrity, Sincerity</td>
<td>Emphasises own honesty to others (e.g. in selling). Acts to ensure honesty or fairness in dealing with others. Follows through on rewards and sanctions (to employees, suppliers). Tells customer he or she cannot do something (e.g. complete a task) even if it means a loss of business.</td>
<td></td>
</tr>
<tr>
<td>17. Recognising importance of relationships</td>
<td>Sees interpersonal relationships as a fundamental business resource. Places long-term good will over short-term gain in a business relationship. Emphasises importance of maintaining cordiality or correct behavior at all times with the customer. Acts to build rapport or friendly relationships with customer.</td>
<td></td>
</tr>
</tbody>
</table>
18. Building capital

Saves money in order to invest in business. Reinvests profits in business.

ANALYSING ENTREPRENEURIAL BEHAVIOR AND PERSONAL EFFICIENCY

1. LEADERSHIP QUALITIES (Multi-leadership)

Dynamism, exuding exemplary enterprise, self discipline, dependability and positiveness. Ability to communicate major ideals, and thereby inspire team spirit amongst others in his/her environment. Ability to fuse one's leadership, with environment in order to create multi-leadership, which combines in a person the art of following as the situation suggests.

2. MOTIVATION/DESIRE TO ACHIEVE SUCCESS IN PERFORMANCE

Desire to succeed and achieve organizational goals to improve work efficiency and seal of others towards "Growth" and "Major Purpose", by an integration of personal organizational value systems.

3. INTERPERSONAL RELATIONSHIP/EMPLOYEES CONCERN

Well mannered, respectful, friendly cooperative and considerate. Maintains the right degree and blend of the aforementioned qualities, to suit the purpose. Is everwilling to 'GIVE' for the betterment of others in his environment, through the process of fusion.

4. COMMUNICATION/EXPRESSION

Ability to communicate one's thoughts and feelings with clarity through the medium of words.
5. PLANNING (VISION)  
Ability to relate oneself coordinate with visible targets and priorities, along with the ability to relate one's energy psyche towards the invisible and intangible, and translate the resultant vision into reality. Energy arising out of this process in the environment creates joint vision.

6. RISK-TAKING ABILITY  
Ability to assess the environment and available resources and take calculated, moderate and intelligent risk.

7. SELF-CONFIDENCE & POSITIVE SELF-IMAGE  
Self-concept which includes confidence in self-efficiency and positive image of one's abilities and achievements.

8. INITIATIVE, INNOVATIVE  
Originality in constructive thinking, leading to improvement in existing and future business requirements.

Such people show not only initiative but also independence in their day-to-day behavior. They 'act' on their own rather than follow directions.
GUIDELINES FOR AN EXPOSITION BY AN ENTREPRENEUR

When considering the issue of motivation of entrepreneurs for more action, already successful ones are more capable of doing so to would-be colleagues.

NIDFO's EMT recognises this as very strong in motivating entrepreneurs to be aware of their importance and role to be played in the economic development process, as well as the challenges to be expected and managed in order to succeed. To this end in this session an entrepreneur who has or is being assisted is invited to give a brief talk about his/her experience with NIDFO.

Participants later have the chance to ask practical questions answers of which might facilitate their experience gathering in their respective business units.
EMTR - 011

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ENTREPRENEURIAL TASK - THE CHALLENGE OF OWNING AND MANAGING ONE'S OWN ENTERPRISE

INTRODUCTION

An entrepreneur is the most important person in the economic growth of any country. He is faced with a series of tasks which constitute his challenge as owner, manager and technician of his business.

Entrepreneurial Tasks

1. Identification of business opportunity and converting it into a viable profitable enterprise. What business to start? This requires innovative spirit, creativity, hard work, desire to satisfy a need, persistence and vision.

2. Project proposal - This involves classification of ideas, studying the market, location, finance, labour, technology, raw materials and then starting the project; seek advice and assistance to prepare project proposal etc.

3. Mobilise Resources - A project could only commence when all the resources are made available: machinery, raw materials, human and capital. The art of mobilising resources depend upon the skill and drive of the entrepreneur.

4. Recruitment and Training of Staff - Employ the appropriate ones; create incentives, to create commitment, training them on different areas.

5. Purchase of Materials - compare prices of suppliers; purchase good quality equipment/materials; machinery that can be maintained; and appropriate to the techniques of production.
6. **Produce Quality Products** - This is the most important aspect if an entrepreneur wants to sell his products for a profit - How do you improve quality?

7. **Stock Control** - Enough goods to keep the customers coming. Too much stock lock up your funds. Understocking drives away customers and lowers the profit.

8. **Selling** - What sells? (quality) How do you sell (by satisfying customers). Study the market, know your market share - increase and maintain it at all times. Always please the customer because he makes the profit. Customer is always right?

9. **Maintain Accounts** - keep records (Business X-ray). Records guides the entrepreneur and helps him to make correct decisions at various stages in the business.

**Specific Challenges**

1. **Competition** - This increases as the business gets larger. It is common between wholesalers, retailers, producers of identified foods or services or those that are close substitutes. Business competition is of two types: that which is experienced such as fashion, market from competitors (can be controlled), trends, suppliers attitudes; and external factors which are normally beyond one's control. To withstand competition the entrepreneur needs to diversify products, produce quality products, get more facts about competitors etc.

2. **Change** - The most permanent thing in life is change. In business this is a big challenge to the entrepreneurs. He must anticipate change in techniques of production, consumer taste, product design, fashion, market trend, supplier's attitudes, government policies, financial condition i.e. possibility of getting a loan, etc. Thus a successful entrepreneur should be one who is constantly thinking about new things (innovative).
ASSESSING YOUR ENTREPRENEURIAL INCLINATION

Not everyone goes through the same set of life experiences, and any person will always differ from another in his abilities and potential to succeed in any vocation or career. The following exercise will help you examine yourself in terms of your entrepreneurial career. In going through the exercise you may be able to identify your own strengths and weaknesses.

Please do the following exercises and questionnaire as seriously as you can. You will surely benefit from knowing more about yourself. Your future must be one which enables you to express yourself in the most creative and fruitful way. Knowing yourself will enable you to do this.

ACHIEVEMENT MOTIVATION QUESTIONNAIRE

One of the first things that you will want to know about yourself is how much achievement motivation you have. This motive has been identified most frequently with entrepreneurial individuals.

The following questionnaire will help you measure your need to achieve. Complete each sentence by encircling the letter corresponding to the phrase which most closely reflects your belief or opinion of yourself.

1. Working is something:
   a. I would rather not do
   b. I do not like doing very much
   c. I would rather do now and then (when I am in the mood)
   d. I like doing
   e. I like doing very much
2. At home they think I am:

   a. very hard working
   b. hard working
   c. not always hard working
   d. somewhat easy-going
   e. very easy-going

3. I believe that preparing a long time for an important task:

   a. does not make sense
   b. is often a waste of time
   c. can often be useful
   d. is sensible and realistic
   e. is essential to success

4. In general I am:

   a. very strongly concerned about the future
   b. strongly concerned about the future
   c. a little concerned about the future
   d. not at all concerned about the future

5. When I am working, the demands I make upon myself are:

   a. very high
   b. high
   c. moderate
   d. low
   e. very low

6. I usually do:

   a. much more than I resolved to do
   b. a bit more than I resolved to do
   c. just as much as I resolved to do
   d. much less than I resolved to do
7. When I have a task to perform:
   a. I usually set my heart on doing my best
   b. I usually pay attention to the advice of others
   c. I get distracted by other activities
   d. I set aside the task to be done and forget about it

8. If I have not done a task well and have fallen short of my goals, then:
   a. I resolve not to give up and continue to do my best to attain my goal
   b. I exert myself a few more times to attain my goal
   c. I find it difficult to give up
   d. I give up

9. I think that to attain a high position in the community is:
   a. Unimportant
   b. of little importance
   c. moderately important
   d. very important
   e. absolutely important

10. People succeed their fathers or mothers as Manager of the family business because:
    a. they want to enlarge and expand the business
    b. they can put their own new ideas into practice
    c. this is the easiest way to make plenty of money
    d. they are simply lucky to inherit the business

11. When doing something different:
    a. I give up almost as soon as I begin
    b. I give up quickly
    c. I give up but not after trying at least once
    d. I try many times to do it before giving up
    e. I do not stop until I have accomplished the task
12. I can work at something without getting tired for:

   a. a very long time
   b. a long time
   c. not too long a time
   d. only a short time
   e. only a very short time

13. I find friends who work hard:

   a. very nice
   b. nice
   c. just as nice as others who do not work as hard
   d. not so nice
   e. not nine at all

14. I think good relations with my friend:

   a. are very important
   b. are important
   c. are not so important
   d. are unimportant
   e. are completely unimportant

15. For fun and pleasure:

   a. I usually have no time
   b. I often have no time
   c. I sometimes have too little time
   d. I always have time

16. I am usually

   a. very busy
   b. busy
   c. not as busy
   d. not busy at all
You will note that the sixteen items in the questionnaire represent eight characteristics or traits which have often times been observed among high achievers and entrepreneurs.

To obtain your score use the following scoring key:

<table>
<thead>
<tr>
<th>TRAIT</th>
<th>Item</th>
<th>Choices</th>
<th>Your Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard Work</td>
<td>1</td>
<td>-2 -1 0 1 2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td>Concern for the future</td>
<td>3</td>
<td>-2 -1 0 1 2</td>
<td></td>
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<tr>
<td></td>
<td>4</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td>High aspiration level</td>
<td>5</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td>Task/goal orientation</td>
<td>7</td>
<td>2 1 -1 -2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td>Upward mobility</td>
<td>9</td>
<td>-2 -1 0 1 2</td>
<td></td>
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<tr>
<td></td>
<td>10</td>
<td>2 1 -1 -2</td>
<td></td>
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<tr>
<td>Persistence</td>
<td>11</td>
<td>-2 -1 0 1 2</td>
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<tr>
<td></td>
<td>12</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td>Recognition of others</td>
<td>13</td>
<td>2 1 0 -1 -2</td>
<td></td>
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<tr>
<td>knowhow</td>
<td>14</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td>Concern for value of time</td>
<td>15</td>
<td>2 1 0 -1 -2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>2 1 0 -1 -2</td>
<td></td>
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</tbody>
</table>

Your total score

Minimum Score: 8 points
High Score: 21 points or more

*To score, look for the number of points assigned to the letter corresponding to the phrase you choose in completing the sentence in each item.
If you scored less than 21 points, you ought to train yourself to be more achievement oriented. This will be discussed in session on Developing Yourself for Entrepreneurship.

You should have scored at least 8 points, 1 each for the different traits. A zero or negative score on any one of the trait indicates weakness that you can set out to correct in order to improve yourself.

It is easy to imagine why achievement-oriented individuals get ahead in life. They work hard and persistently. Because they are concerned for the future they are willing to forego small conveniences or discomforts at present in favor of much bigger and more satisfying returns in the future. They aim high, so that they, usually demand more from themselves when they work. They have the ability to focus their energies on the task so that they are able to accomplish things. They think it is important to attain some position or come up with accomplishments in society. They are persistent workers even in the face of hardships and difficulties. They like to associate with people who are as hardworking as themselves and are knowledgeable about the things they are interested in. And they do not like wasting time on non-essentials like having so much fun just for the sake of having fun. Achievers derive fun from being busy in pursuit of worthwhile goals.
APPRAISING YOUR WORK HABITS

Entrepreneurship is a way of life. It is a manner of accomplishing one’s tasks with certain attitudes, habits, perspectives and discipline. One can be entrepreneurial if he works excellently, diligently, profitably and effectively.

The following questions will help you take stock of your present work habits. Answer each question honestly by choosing the statement which most closely describes yourself at present. Choose only one answer for each item.

1. When working on a task do you usually:
   - a. determine on your own exactly what needs to be done?
   - b. allow others to tell you what is to be done?

2. When you work with others on a group task do you:
   - a. act only when others start working?
   - b. take it upon yourself to see that things get done?

3. What do you think about more frequently?
   - a. ideas and activities
   - b. loving and influencing people

4. Which do you prefer to do?
   - a. implement proven and tested ideas
   - b. develop and implement new ideas
5. Which task do you always do first?
   a. that which you must do
   b. that which you enjoy doing

6. Do you:
   a. like to finish what you start?
   b. like to start rather than finish a job?

7. When you recall past failures that make you feel bad, what do you do?
   a. immediately think of something else
   b. think of what you will do the next time something similar happens

8. Which one do you enjoy more?
   a. implementing and working on ideas
   b. knowing the results of your work

9. Which happens more often to you?
   a. you under-estimate your abilities
   b. you over-estimate your abilities
10. Which do you prefer:

☐ a. to lead a group and be responsible for them

☐ b. to be a member and let someone else lead and be responsible for the group

The answers usually given by entrepreneurs are enumerated below; Score yourself 1 point for each item you answered accordingly.

1. a
2. b
3. a
4. b
5. a
6. a
7. b
8. b
9. b
10. a

What is your score? If you scored below 6, you need to improve your work attitudes and habits.

Your responses to items 1 and 2 reflect whether you are a self-motivated individual or not. The entrepreneurial individual sets his own goals, that is, by determining what, how long or how often things are to be done. He does not need anyone else to tell him this. Also, he does not depend on others to get things done. Whenever he is personally involved, he sees to it that the goals (whether his own or the group's) are accomplished.

Item 5 reveals how you spend your time. Entrepreneurial individuals engage in productive activities most of the time. They seldom waste time on unproductive chatter or play, for they prefer to create and produce. They are disciplined at work so that they don't waste time. They work by a schedule finishing that which must be done first before going to the less important (but may be more enjoyable).
Item 6 describes your work attitudes. Entrepreneurial individuals do not allow conditions to determine their attitudes towards work. Even if the path to their goals is often difficult and hazardous they go on working despite these difficult circumstances, and they fill themselves with positive thoughts about their rewards if they succeed in attaining their goals. Thus, they finish their tasks cheerfully.

Items 7 and 8 reflect your concern for results or feedback on your performance. You must not allow your past failures to discourage you that you begin to pity yourself. Learn from your mistakes - also from your success. Repeat those actions that led you to success, eliminate those that made you fail.

Item 9 shows your self-confidence or lack of it. Entrepreneurial individuals believe in themselves. Most of the time they over-estimate their capacities, thinking of themselves as better than most people.

Item 10 says something about your leadership potentials. Entrepreneurial people are able to lead and they enjoy in taking the responsibility for getting things done on their own initiative.
ENTREPRENEURIAL SKILLS

There are three (3) entrepreneurial skills emphasized herein. It must be understood that these skills cut across the application of management skills required of an entrepreneur.

1. RISK-TAKING

Small enterprise owners should be concerned with five major types of common business risks:

1) changes in economic, market and technological conditions.
2) losses from various types of theft, shop-lifting, and bad debts.
3) disasters caused by weather geological conditions, fire hazards, and so on.
4) liabilities arising from negligence or other actions.
5) death or disability of owner/manager.

The question of what to do about these risks should be addressed. 1) live with the risk or 2) try to remove them. The latter can be done by:

1) Strategies for handling risks internally

   a. A small firm can avoid more economically risky products and markets.

      Examples:- products dependent on imported raw materials - extreme fashion influenced products

   b. Observe more conservative credit and debt policies

      Examples:- insist on cash sales only
                  - obtain down payment for products and/or services on job order.

   c. Institute double checking in the handling of money and other assets
2) **Shifting Risks to someone else**

   a. Insurance coverage of assets

   The small entrepreneur must be aware of some of the major risks and business drawbacks:

1) **Risk loss**

   The small scale entrepreneur risks the loss not only of capital but also reputation, friends and sometimes even family. Obviously if the business goes under you lose much or all of the money that you and others have invested. A natural consequence is frequently the loss of your personal reputation and the friendship of others who previously had faith in you. If you are successful, you also risk growing "out of touch" with former friends and family.

2) **Anguish over uncertainty**

   With business fluctuation causing irregular income, and success often depending on crucial events over which the owner has no control, the entrepreneur suffers anguish over these uncertainties. Hence, not only your own personality but also the security needs of the family and temperaments of your spouse and investor friends must be suited to the uncertainty involved in starting a new venture.

3) **Time, Effort and More Funds**

   The small entrepreneur faces constant demands far in excess of what may sometimes be reasonable. Quite a bit of time, effort and money is required to get the enterprise off the ground. One must be prepared to provide utmost care and occasional funds infusion into the enterprise if it is to succeed.
4) **Straining of Values**

Many times business success may call for a compromise in personal ethics and values. Some soul searching decisions must be made when countering competitors where commonly accepted practices conflict with your basic moral values.

5) **Growth Dilemmas**

As your enterprise grows certain frustrations may come in caused by your own very success. You may need to delegate some operating decisions to others since you cannot do everything yourself.

**GUIDE TO RISK TAKING**

For successful business activities the entrepreneur should observe the following guidelines at every stage of the business cycle.

(i) **Identification of business opportunity/project** - Identify projects you can manage, whose raw materials are locally available etc.

(ii) **Purchase of machinery** - purchase machinery that you can maintain; whose parts are locally available; that can be repaired locally etc.

(iii) **Selection of Technology** - Select the techniques that you can change according to the dictates of circumstances; that can be easily learnt by the employees etc.

(iv) **Selection of Labour** - Select skilled labour. Do not employ Mr. X because he is your relative or because of other reasons.

(v) **Financing the project** - Assess the possibility of making a profit before investing your equity into the business. Compare the yield of your money if you put it in the Commercial Bank etc.
2. PROBLEMS SOLVING/DECISION MAKING

Management is largely the process of problem solving. The essence of management is to make decisions that commit resources in pursuit of objectives of the business.

A. Problem

Problems can be defined broadly as situations in which we experience uncertainty or difficulty in achieving what we want to achieve e.g.

1) Stepping smoking is a problem which you decide you want to stop but cannot.

2) A machine malfunctioning is a problem if it prevents you from completing work on time.

3) An excessive workload is a problem when it interferes with your ability to work effectively.

Occurrence of a Problem

Problems arise when an obstacle prevents us reaching an objective e.g. when a break down in the machine of an enterprise (obstacle) prevents it from fulfilling orders (the objective). This is given by the following equation:

\[
\text{Objective (That which we want to achieve)} + \text{Obstacle (That which prevent us from achieving the objective)} = \text{Problem}
\]

B. GROUPS OF PROBLEMS

1. Closed/Maintenance Problem

These occur when there is a deviation from the normal or unexpected state of affairs for example the unexpected resignation of a key member of staff, or the failure of a regular customer to collect his supply. In each case the cause may be known or unknown but something needs to be done about it.
2. **Open-ended Problems**

These occur when we want to achieve a specific objective but there are certain obstacles blocking our progress e.g.

- Failing to meet our sales target
- Improve efficiency
- Creating a new product

Solving a problem involves finding ways to overcome any obstacles and to achieve our objective.

C. **HOW TO SOLVE A PROBLEM**

1) **Definition of the Problem**

For closed problems, you need to define all the circumstances surrounding the deviation from the normal but for open-ended, you need to define your objectives and any obstacle which could prevent you from achieving them.

2) **Finding Possible Solutions**

Closed problems have one or a limited number of possible solutions while open-ended problems usually can be solved in a large number of ways, e.g. The above is referred to as problem analysis which involves identifying and collecting the relevant information about the problem.

3) **Choosing the Best Solution**

This is the stage at which we evaluate the possible solutions and select that which will be most effective in solving the problem.

It is a process of decision making based on a comparison of the potential outcome of alternative solutions.

i. Identifying all the features of an ideal solution including the constraints it has to meet.
ii. Eliminating the solution which does not meet the constraints.

iii. Evaluating the solution which does not meet the constraints.

iv. Evaluating the remaining solution against the outcome required.

v. Making the decision to implement the solution.

In some situations before a solution is implemented you need to gain acceptance of the solution by other people or get their authority to implement it.

4) Implementing the Solution

This involves three separate stages:

i. Planning

The plan describes the sequence of actions required to achieve the objective, the time scale and the resources required at each stage. Ways of minimising the risks involved and preventing mistakes have to be devised and built into the plan.

ii. Putting the plan into effect

iii. Monitoring to ensure that things are running smoothly.

Moreover you should always be ready to accept responsibility for the result of your decision.

PROBLEM SOLVING - PROCEDURE - AN EXAMPLE OF MUSICAL BAKERY

STAGE OF PROBLEM SOLVING

Recognising the problem

EXAMPLE

Sales analysis has been shown a fall in sales in the West End.
Defining the problem
(current situation)

Objective

Analysing the problem

STAGE OF PROBLEM SOLVING

Possible solution

Criteria for an ideal solution

Best Solution

Implementing the solution

Reviewing success

Sales in the West restored to previous level at least.

Restore sales in the West to previous level within 3 months.

Salesman for the West is Musa.

Musa moved home three weeks ago.

New home is at Upgun area.

Travelling time to sales area is three hours.

Musa’s sales day starts at 10.00 a.m. and ends at 3.30 p.m.

STAGE OF PROBLEM SOLVING

Replace Musa in the East.

Offer Musa cash incentive to spend week days in the West.

Restructure sales areas.

No extra cost

Keep Musa in the West if possible for his experience.

Replace Musa.

Musa offered alternative employment.

New salesman for the West recruited and trained.

Musa resigns.

Sales in the West up to 15% within three weeks.
EXERCISE

1. Consider any problem in your enterprise and explain how you would go about solving it using the procedure you have learnt.

2. Make a list of the reasons why you think people may not find the best solutions to their problems.

TEAM WORK EXERCISE

Individual creativity is remarkable when you see it. But creative geniuses are few and far between. What is more impressive is the creativity of a team of people.

Time and time again it has been proven that better creative solutions to problems evolve from the collective interaction of a small group of people than are arrived at by the same people working individually.

Step I. Give each participant one copy of the illustration below and the instruction.

The figure you see is a square box on a simple flat plane. Assume that all of the angles are right angles and that the sides are of equal length. Your task is to count the total number of squares you see in the figure.

Step 2 - Record the various solutions and how much time was required (not more than 20 minutes).

Step 3 - Divide the participants into groups of three (3).

Step 4 - Give them the square figure, one for each group and let them work on the same task of counting up the total number of squares they see in the figure.
Step 5 - Record the various solutions and how much time was required (not more than 20 minutes).

Step 6 - Compare results of individual solutions and group solutions.

This exercise in team creativity may hold important implication for entrepreneurs. Two or more heads are very often as good as, if not better, than one. You do not have to possess all the creativity yourself to build a successful enterprise. But unless there is some strong creativity on your team, you have one disadvantage to begin with.

**Answer:**

- 16 single squares
- 1 large square
- 4 corners, 2 x 2
- 4 corners, 3 x 3
- 4 middle, 2 x 2
- 1 centre, 2 x 2

30 Total

**NOTE:** Adapted from *New Venture Creation*, 2nd Edition by Timmons, Smollen and Dingee Jr., Irmin, 1985.
CASE STUDY

MARY CONTEH - THE DRESSMAKER

At 44 years old, Mrs Mary Conteh owns and manages a small but profitable dressmaking shop for ladies. The major source of the family's income, the shop also provides employment to 15 other employees. Madam Mary, as Mrs Conteh is fondly called, sells her products all over Freetown and has begun to reach markets in Guinea and Liberia.

Not bad for a Class 7 student who, as a young girl, was orphaned by her father. Madam Mary's poor and humble beginnings in Tongo, Kenema have probably motivated her to be self-reliant and success oriented.

The Early Years

Madam Mary, the second child in a family of four, grew up in a small farm in Kenema. The family led a simple life. Her father was a lumberman working in Tongo, while her mother was a farmhand who occasionally buys and sells live chicken to augment the family income. When her father died in 1948, after three years of lingering illness, there were no savings left to assume the children's education, much less three square meals a day. The young Mary, for one, had to work in order to finish class seven and to help her mother in raising the family.

At an early age, Mary learned and enjoyed the "art" of selling. Anything she can lay her hands on, she sold to her classmates, relatives and neighbors. During school days she sold native cakes and boiled cassava to her classmates. After school hours, she gathered potato leaves, cassava leaves, tomatoes and bananas in order that she could sell these the following morning after attending classes.
And what little profit she earned by selling was spent in buying fish to be later resold to her neighbors. There was a time, too, when she used to assist a neighbor who owned a food stand just so she could earn her daily allowance, a free lunch and a few extra leones for her mother.

For Mary, school vacation time was spent differently from the way other children of her age did. It was a time to work harder and to earn more. She used to go to the fields at dawn with several bottles of soft drinks and a basketful of bread and native cakes. These are sold to farmers and farm helpers who paid her mostly with rice which she sold to rice merchants before the school vacation is over. By night time, one found her in the park selling tobacco, fruits or peanuts. On Saturday, she maintained a small corner in the public market to sell farm products. Sometimes, she also sold cheap clothing which she got on credit from other stores.

Upon reaching her teens, her aunt who owns and manages a dress shop in Freetown took her in as an apprentice. Believing that Mary should be taught a practical skill, her aunt made sure that she learned all the rudiments of sewing and embroidery. She was also trained on the techniques of buying and selling and managing a dress shop. From being a simple seamstress therefore, Mary, within four years, became her aunt's capable assistant in the shop.

From this work experience her technical and management knowhow were developed. She became very skillful in machine and embroidery work. She learned about textile characteristics. She learned about design and fashion and more important, quality and quality control. Her daily wage then was Le20.00 but she did not really mind for she was enjoying her job while learning at the same time.

The Take Off

When Mary got married, she stayed in Freetown. Her cousin in the gara dyeing business was complaining that her fabrics were not selling as fast as she wished. Mary then bought an old sewing machine on installment and set up her own dress shop. She used her cousin's unsold fabrics on credit and paid back as she sold her dresses.
By 1982, Madam Mary was on her way to a successful entrepreneurial career. With an accumulated family savings of Le10,000.00, she bought an additional sewing machine and hired two apprentice sewers to assist her. She then came to appreciate the fact that she likes being her own boss; of earning more, of working beyond 8 hours and of putting to use what she learned from her aunt. By this time she has studied the market for dresses and had decided that embroidered ladies' wear were becoming in demand for ladies with money. She taught an apprentice the techniques of embroidery work and made some dresses with embroidery designs. The diversification of product design proved successful marketing wise. Her working experience in her aunt's shop served her well in running and managing her own enterprise.

Today, her dress shop has 15 employees and 12 sewing machines. It is a testimonial to Madam Mary's successful entry into the entrepreneurial world. She now smiles as she looks back to her early poverty and difficulties. She is grateful that her own children need not struggle as hard as she did. Her family is enjoying the fruits of her labor and entrepreneurial drive.

From a young hard-working girl who sold almost anything, Madam Mary has come a long way as the owner-manager of a growing business.

Questions for Discussion

1. At what stage in her life did Madam Mary exhibit entrepreneurial qualities?

2. Based on this success story, have you formed positive ideas as to whether entrepreneurs are born or made? Explain.

3. How did Mary spend her vacation? How did this experience contribute to her management of the enterprise?
4. Which experience sharpened Madam Mary's entrepreneurial talents to the fullest? Trace her entrepreneurial career from hereon.

5. What opportunities along the way did Madam Mary perceive and use?

NOTE: This is a hypothetical case adapted from *Introduction to Entrepreneurship* published by SERDEF in cooperation with the UP - Institute for Small Scale Industries, 1989. Details have been reviewed as to appropriateness to Sierra Leone conditions with Mr Hans-Kawa, Development Officer, NIDFO.
GUIDELINES FOR VISIT TO AN ENTREPRENEUR

A. SELECTION OF PROJECTS TO BE VISITED

The course co-ordinator in conjunction with the Industrial Engineer identifies two to three entrepreneurs whose project or business activities would be exciting enough to visit at the given time. Prior arrangement is made by informing the entrepreneurs to be visited of the time perspective and what questions they may expect from participants.

B. VISIT PROCEDURE

1. All participants about 15 - 20 in number led by the Course Co-ordinator/Resource Persons move from one project to another.

2. Introduction is made by Course Co-ordinator

3. Entrepreneur gives a brief talk about his/her encounter with MDBC's Small Enterprise Development and Finance Operations, if any.

4. Participants have the chance to ask relevant questions for clarification.

5. Compliments are given to the entrepreneur for accepting and entertaining the group.
DEVELOPING YOURSELF FOR ENTREPRENEURIAL SUCCESS

This session will discuss useful tips to help you acquire the orientations, habits and attitudes which are important to entrepreneurship.

1. **Set Your Own Goals**

   Develop the habit of having a purpose in whatever you do. You are more likely to get what you want if you know what you want and are willing to work for it.

   In setting goals remember the following:

   1) Be realistic. Know your strengths and weaknesses as well as the support and obstacles present in your environment.

   2) Be self-reliant. Do not aim for something which depends on many other people and circumstances for its attainment.

   3) Select those goals which are important to you and which allows you to perform your best.

   4) Focus on positive objectives. In other words, try to think of goals which will make you do or attain something rather than those which call for you to stop or avoid things.

   5) Gather as much information as you can on the goals which you set. Try to set both short- and long-term goals for yourself. These goals have to be regularly reviewed and modified.
2. **Believe in Yourself**

Believe that you can achieve your goals. If you have no faith in yourself, no one else will.

Here are ways to develop your self-confidence.

1) **Know as much of yourself as you can.** What are your strengths? What are your weaknesses? Take time cut regularly to assess your strengths and weaknesses.

2) **Look at your qualities in a realistic manner.** Neither underestimate nor exaggerate your own abilities and talents. Compare your ideas about yourself with what others say about you. Talk to your family and friends to know what they think of you. If you can, get to know why some people avoid making friends or working with you.

3) **Emphasize your strengths and play down your weaknesses by choosing activities and goals where you do best.** Select things to do which allow you the freedom to express yourself most creatively. Harness your capacities as much as you can.

4) **Take care of yourself physically so that you look good to yourself and to others.** If you look good, you will feel good about yourself. This will be translated as confidence as you move around and pursue your goals.

3. **Guard your Thoughts**

You can control your mind and use it productively. Avoid negative thoughts and ideas if you cannot learn from them. Always try to profit from what goes on in your mind. If you fill your thoughts with positive ideas, you are more likely to have confidence in yourself, in others, and in the world at large. You are also more likely to think big and accomplish big things.
When things go bad, a little sense of humor will help you see the brighter side.

4. Aim to Learn and Grow

People who are happier and more successful in life never stop learning and growing personally and professionally. Take advantage of every opportunity to learn something new, such as a new skill, ability, strategy, method, idea, craft, positive and productive activities.

5. Use Your Time Wisely

Develop good habits that make efficient and effective use of time. Some tips to help you organize your time are:

1) For one week, record how you spend your time. Keep track of your activities during the week and summarize how much time you spend on working, visiting friends, selling your products, eating, consulting with others about your business, waiting, etc. How productive is your time?

2) Know your priorities. Know what you want done so that you are not tempted to waste your time on non-essential things.

3) Work according to an organized schedule from day to day. Identify daily specific goals or "things to do". It is best to do this in the evening before you go to bed. Think in advance of what you must do the next day so that you make up in time and go to work directly on your schedule.

4) As you accomplish each item of "things to do" check or cross it out in your list so you will not waste time reading the whole list over and over again.

5) Work on one thing at a time so you can concentrate fully.
6) Stick to your schedule. Avoid day dreaming and see to it that you minimize and discourage interruptions. As you are working on something, do not stop until it is done. When in the middle of doing something else you ought to do, note this down in your list. Let it wait until you have finished what you are now doing.

7) Work in blocks of time by setting a deadline for yourself.

8) Be self motivated. Cultivate the habit of enjoying the work whatever it is, if you have to do it.

9) Do the difficult tasks first because you are most productive at the start. As time goes on, your stamina tends to decrease.

10) Reduce effects of interruption.

11) Minimize back tracking. This is a sign of bad planning and poor organization.

12) Be a finisher. It is easy to start things but it takes plenty of discipline and work on your part to finish many of the things you start.

13) Relax while you work. It is better to work at a steady speed rather than in sudden bursts of energy. While you may be able to work much faster under pressure, you will also tire more easily.

14) Reflect regularly on the way you use your time.

6. Be Creative

If you use your time wisely, you will have much left for creativity. After the routine activities are done, take time out to develop and implement new ideas. Do not content yourself with the way things are traditionally done, seen or used. In your creative moments try asking one or more of the following questions:
1) Is there a way to do this
   - more easily?
   - quicker?
   - more comfortably?
   - cheaper?
   - more clearly and neatly?
   - more attractively?

2) Can it be made
   - more useful (multipurpose)?
   - more adaptable to other uses?

3) Can its value be enhanced?

4) Can it be combined with some other tool or device?

5) Can the distribution methods be improved?

7. Be a Winner

   Some people have "loss" attitudes. They are afraid of many things. They complain, are bitter, are hurt, are sick and all sorts of negative things.

   Be different. Go through life like you are going to be a winner rather than a victim of circumstances. Think positive and think big. Know as much as you can about your tasks and your goals so you can influence the odds in your favor. Aim to succeed rather than misusing losses.

8. Be a Leader

   Learn to lose and take responsibility for the accomplishments of your work group. You should be able to combine diverse talents and resources into a winning team. Make decisions objectively and confidently. Develop appropriate leadership qualities and behavior in yourself as well as in others. Learn to work well with people. Develop good listening habits and learn to communicate well.
9. **Learn from Enterprising People**

Associate with entrepreneurial individuals. Pattern your life style, values and habits, after successful entrepreneurs, particularly in your field of interest. Read about them, and if possible, meet and talk with them.

10. **Practice Entrepreneurship**

Know what it is like to run and manage your business efficiently.

It must be mentioned at this point, that the entrepreneurial traits and characteristics discussed here and earlier sessions are not the only requirements to a successful business enterprise. There are other skills and knowledge, particularly relating to the technicalities of running a business which you have to learn as well.

**NOTE:** Adapted from *Introduction to Entrepreneurship*, SERDEF/UP-1581, 1989.
Determined your Entrepreneurial Readiness

After all the discussions and insights you have been through in this EMT are you ready for entrepreneurship?

Hereunder are 10 questions the answers to which will give an indication of your entrepreneurial readiness. Put a circle around the letter that most nearly express what you feel. Try to be as honest as you can to yourself.

1. Are you a self-starter?
   a. I do things on my own. Nobody has to tell me to get going.
   b. If someone gets me started, I keep going all right.
   c. I take it easy. I do not put myself to so much trouble, unless I really have to.

2. How do you feel about other people?
   a. I like people. I can get along with just about anybody.
   b. I have many friends. I do not need anyone else.
   c. Most people irritate me.

3. Can you lead others?
   a. I can get most people to go along when I start something.
   b. I can give the orders if someone tells me what should do.
   c. I let someone else get things moving. Then I nothing if I feel like it.

4. Can you take responsibility?
   a. I like to take charge of things and see them through.
   b. I will take over if I have to, but would rather have someone else be responsible.
   c. There is always some over-achiever around wanting to show how smart he is. I usually let him
5. How good as organizer are you?

a. I like to have a plan before I start. I am usually the one to get things organized when the group wants to do something.

b. I do alright unless things get too confused. Then I quit.

c. I get all set and then something comes along and presents too many problems. So I just take things as they come.

6. How good a worker are you?

a. I can keep going as long as I need to. I do not mind working hard for something I want.

b. I will work hard for a while, but when I have had enough, I will stop.

c. I cannot see how hard work can get me anywhere.

7. Can you make decisions?

a. I can make up my mind in a hurry if I have to.

b. I can if I have plenty of time.

c. If I have to make up my mind fast, I realize later I should have decided the other way.

8. Can people trust what you say?

a. Of course they can. I do not say things I do not mean.

b. I try to be straightforward most of the time, but sometimes I just say what is easiest to say.

c. Why bother if the other fellow does not know the difference.

9. Can you stick to what you start?

a. If I make up my mind to do something, I do not let anything stop me until I finish.

b. I usually finish what I start - if it goes well.

c. If it does not go well, I quit. Why bother?
10. How energetic are you?

a. I never feel tired or rundown.
b. I have enough energy for most things I want to do.
c. I run out of energy sooner than most of my friends seem to.

Scoring:

How many "a's" have you checked? ___________
How many "b's" have you checked? ___________
How many "c's" have you checked? ___________

If you checked 6 or more "a's" you probably are ready for entrepreneurship.

If you checked 6 or more "b's" you may have difficulty in running a business by yourself. But you can still succeed if you find a partner who is strong on the points you are weak in.

If you have 6 or more "c's" chances are not even a good partner will be able to give you the support you need.

INTRODUCTION TO MANAGEMENT

INTRODUCTION

Managers in every organization or business set-up perform certain functions for the purpose of achieving goals, or operating profitably where applicable.

The work done by managers is concerned with performing the functions of planning, organizing, directing and controlling to achieve the set objectives of the business unit.

Managers perform these functions within the boundaries established by the external environment and must consider, shareholders, government, labour union, suppliers and the general public.

THE FUNCTIONS

Planning

Planning, the first function of management, is concerned with determining the goals firm has and the specific or possible means of achieving these goals. Determining objectives and the courses of action needed to achieve them is a 'process' and not a one-time action which terminates instantly.

Plans are subsequently developed to specify the manner in which set objectives are to be accomplished. Appropriate policies, procedures and rules are then created to specify in greater detail as to how the plan would be operated. Standards are developed to determine the attainment of the various aspects of the plan.

The successful planner does not operate in a vacuum and must be flexible enough to respond to changing external and internal conditions. The plan is evaluated and modified to conform to the current and anticipated situations.
Organizing

An organization must be created to accomplish the goals and plans.

Human and economic resources are allocated to various job areas within the firm. Relationships are established among the various units within the firm.

The management function of organizing is concerned with developing a framework that relates all personnel job assignments and physical resources/inputs required for work to be done. The framework is usually termed organization structure.

Directing

This function is concerned with stimulating workers or members of the organization to undertake actions consistent with developed plans.

Directing involves creating a climate with good communication and one that is conducive to the effective motivation and leadership development of the workers.

The process of influencing or stimulating a person to take action that will accomplish a desired goal is known as motivation. Leadership involves any attempt at influencing the behavior to coincide with the goals of the organization. Workers are to be given challenges that will develop their leadership capabilities apart from services being rendered for the business now.

Controlling

The purpose of establishing controls is to ensure proper performance in accordance with the plans. Through the establishment of controls, management is able to compare actual performance with the pre-determined plan, in the event of unsatisfactory performance.

Objectives and plans provide the basis for the control process. Effective control therefore depends on sound managerial planning.
The control process involves three critical areas, namely:

- Establishment of suitable standards;
- Comparison of performance to standard; and
- Taking corrective measures.

CONCLUSION

The basic management functions of planning, organizing, directing and controlling are performed by managers at every manning level within an organization. It needs to be mentioned however that the amount of time and effort devoted at each function will depend on the managerial levels in question.

In order to be effective in carrying out the functions discussed, a manager must possess and continually develop such essential skills as: Technical Skill, Communication Skill, Human Relations, Analytical Conceptual Skill. The need for these skills also vary according to the different levels of management.