

DEMONSTRATE UNDERSTANDING OF ENTREPRENEURSHIP

UNIT CODE : AQ/OS/AT/BC/04/6/B

UNIT DESCRIPTION

This unit covers the competencies required to demonstrate understanding of entrepreneurship. It involves demonstrating understanding of an entrepreneur, entrepreneurship, and self-employment, identifying entrepreneurship opportunities, creating entrepreneurial awareness, applying entrepreneurial motivation, developing business innovative strategies and developing business plan.

ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA
1. Demonstrate understanding of an Entrepreneur	<ol style="list-style-type: none">1. 1Entrepreneurs and Business persons are distinguished as per principles of entrepreneurship1. 2<i>Types of entrepreneurs</i> are identified as per principles of entrepreneurship1. 3Ways of becoming an Entrepreneur are identified as per principles of Entrepreneurship1. 4<i>Characteristics of Entrepreneurs</i> are identified as per principles of Entrepreneurship1. 5Factors affecting Entrepreneurship development are explored as per principles of Entrepreneurship
2. Demonstrate understanding of Entrepreneurship and self-employment	<ol style="list-style-type: none">2. 1Entrepreneurship and self-employment are distinguished as per principles of entrepreneurship2. 2Importance of self-employment is analysed based on business procedures and strategies2. 3<i>Requirements for entry into self-employment</i> are identified according to business procedures and strategies2. 4Role of an Entrepreneur in business is determined according to business procedures and strategies

	<p>2. 5 Contributions of Entrepreneurs to National development are identified as per business procedures and strategies</p> <p>2. 6 Entrepreneurship culture in Kenya is explored as per business procedures and strategies</p> <p>2. 7 Born or made Entrepreneurs are distinguished as per entrepreneurial traits</p>
<p>3. Identify Entrepreneurship opportunities</p>	<p>3.1 Sources of business ideas are identified as per business procedures and strategies</p> <p>3.2 Business ideas and opportunities are generated as per business procedures and strategies</p> <p>3.3 Business life cycle is analysed as per business procedures and strategies</p> <p>3.4 Legal aspects of business are identified as per procedures and strategies</p> <p>3.5 Product demand is assessed as per market strategies</p> <p>3.6 Types of business environment are identified and evaluated as per business procedures</p> <p>3.7 Factors to consider when evaluating business environment are explored based on business procedure and strategies</p> <p>3.8 Technology in business is incorporated as per best practice</p>
<p>4. Create entrepreneurial awareness</p>	<p>4.1 Forms of businesses are explored as per business procedures and strategies</p> <p>4.2 Sources of business finance are identified as per business procedures and strategies</p> <p>4.3 Factors in selecting source of business finance are identified as per business procedures and strategies</p> <p>4.4 Governing policies on Small Scale Enterprises (SSEs) are determined as per business procedures and strategies</p>

	4.5 Problems of starting and operating SSEs are explored as per business procedures and strategies
5. Apply entrepreneurial motivation	<p>5.1 Internal and external motivation factors are determined in accordance with motivational theories</p> <p>5.2 Self-assessment is carried out as per entrepreneurial orientation</p> <p>5.3 Effective communications are carried out in accordance with communication principles</p> <p>5.4 Entrepreneurial motivation is applied as per motivational theories</p>
6. Develop innovative business strategies	<p>6.1 Business innovation strategies are determined in accordance with the organization strategies</p> <p>6.2 Creativity in business development is demonstrated in accordance with business strategies</p> <p>6.3 Innovative business strategies are developed as per business principles</p> <p>6.4 Linkages with other entrepreneurs are created as per best practice</p> <p>6.5 ICT is incorporated in business growth and development as per best practice</p>
7. Develop Business Plan	<p>7.1 Identified Business is described as per business procedures and strategies</p> <p>7.2 Marketing plan is developed as per business plan format</p> <p>7.3 Organizational/Management plan is prepared in accordance with business plan format</p> <p>7.4 Production/operation plan in accordance with business plan format</p> <p>7.5 Financial plan is prepared in accordance with the business plan format</p> <p>7.6 Executive summary is prepared in accordance with business plan format</p>

	7.7 Business plan is presented as per best practice
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RANGE

This section provides work environment and conditions to which the performance criteria apply. It allows for different work environment and situations that will affect performance.

Variable	Range
1. Types of entrepreneurs may include but not limited to:	<ul style="list-style-type: none"> • Innovators • Imitators • Craft • Opportunistic • Speculators
2. Characteristics of Entrepreneurs may include but not limited to:	<ul style="list-style-type: none"> • Creative • Innovative • Planner • Risk taker • Networker • Confident • Flexible • Persistent • Patient • Independent • Future oriented • Goal oriented
3. Requirements for entry into self-employment may include but not limited to	<ul style="list-style-type: none"> • Technical skills • Management skills • Entrepreneurial skills • Resources • Infrastructure
4. Internal and external motivation may include but not limited to:	<ul style="list-style-type: none"> • Interest • Passion • Freedom

	<ul style="list-style-type: none"> • Prestige • Rewards • Punishment • Enabling environment • Government policies
5. Business environment may include but not limited to:	<ul style="list-style-type: none"> • External • Internal • Intermediate
6. Forms of businesses may include but not limited to:	<ul style="list-style-type: none"> • Sole proprietorship • Partnership • Limited companies • Cooperatives
7. Governing policies may include but not limited to:	<ul style="list-style-type: none"> • Increasing scope for finance • Promoting cooperation between entrepreneurs and private sector • Reducing regulatory burden on entrepreneurs • Developing IT tools for entrepreneurs
8. Innovative business strategies may include but not limited to:	<ul style="list-style-type: none"> • New products • New methods of production • New markets • New sources of supplies • Change in industrialization

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit of competency.

Required Skills

The individual needs to demonstrate the following skills:

- Analytical
- Management
- Problem-solving
- Root-cause analysis
- Communication

Required Knowledge

The individual needs to demonstrate knowledge of:

- Decision making
- Business communication
- Change management
- Competition
- Risk
- Net working
- Time management
- Leadership
- Factors affecting entrepreneurship development
- Principles of Entrepreneurship
- Features and benefits of common operational practices, e. g., continuous improvement (kaizen), waste elimination,
- Conflict resolution
- Health, safety and environment (HSE) principles and requirements
- Customer care strategies
- Basic financial management
- Business strategic planning
- Impact of change on individuals, groups and industries
- Government and regulatory processes
- Local and international market trends
- Product promotion strategies
- Market and feasibility studies
- Government and regulatory processes
- Local and international business environment
- Relevant developments in other industries
- Regional/ County business expansion strategies

EVIDENCE GUIDE

This provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge and range.

1. Critical Aspects of Competency	1. 1Assessment requires evidence that the candidate: 1. 2Distinguished entrepreneurs and businesspersons correctly 1. 3Identified ways of becoming an entrepreneur appropriately
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	<ol style="list-style-type: none"> 1. 4Explored factors affecting entrepreneurship development appropriately 1. 5Analysed importance of self-employment accurately 1. 6Identified requirements for entry into self-employment correctly 1. 7Identified sources of business ideas correctly 1. 8Generated Business ideas and opportunities correctly 1. 9Analysed business life cycle accurately 1. 10 Identified legal aspects of business correctly 1. 11 Assessed product demand accurately 1. 12 Determined Internal and external motivation factors appropriately 1. 13 Carried out communications effectively 1. 14 Identified sources of business finance correctly 1. 15 Determined Governing policy on small scale enterprise appropriately 1. 16 Explored problems of starting and operating SSEs effectively 1. 17 Developed Marketing, Organizational/Management, Production/Operation and Financial plans correctly 1. 18 Prepared executive summary correctly 1. 19 Determined business innovative strategies appropriately 1. 20 Presented business plan effectively
<p>2. Resource Implications</p>	<p>The following resources should be provided:</p> <ol style="list-style-type: none"> 2.1 Access to relevant workplace where assessment can take place 2.2 Appropriately simulated environment where assessment can take place
<p>3. Methods of Assessment</p>	<ol style="list-style-type: none"> 3.1 Written tests 3.2 Oral questions 3.3 Third party report 3.4 Interviews 3.5 Portfolio of Evidence

4. Context of Assessment	Competency may be assessed 4.1 On-the-job 4.2 Off-the –job 4.3 During Industrial attachment
5. Guidance information for assessment	Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended.

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