

## DEMONSTRATE UNDERSTANDING OF ENTREPRENEURSHIP

UNIT CODE : IT/OS/ICT/BC/04/6/A

### UNIT DESCRIPTION

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

### ELEMENTS AND PERFORMANCE CRITERIA

ELEMENT	PERFORMANCE CRITERIA
1. Demonstrate understanding of an Entrepreneur	<p>1.1 Entrepreneurs and Business persons are distinguished as per <i>principles of entrepreneurship</i></p> <p>1.2 <i>Types of entrepreneurs</i> are identified as per principles of entrepreneurship</p> <p>1.3 Ways of becoming an Entrepreneur are identified as per principles of Entrepreneurship</p> <p>1.4 <i>Characteristics of Entrepreneurs</i> are identified as per principles of Entrepreneurship</p> <p>1.5 Factors affecting Entrepreneurship development are explored as per principles of Entrepreneurship</p>

<p>2. Demonstrate understanding of Entrepreneurship and self-employment</p>	<p>2.1 Entrepreneurship and self-employment are distinguished as per principles of entrepreneurship</p> <p>2.2 Importance of self-employment is analysed based on business procedures and strategies</p> <p>2.3 <b>Requirements for entry into self-employment</b> are identified according to business procedures and strategies</p> <p>2.4 Role of an Entrepreneur in business is determined according to business procedures and strategies</p> <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 <b>Business ideas</b> 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 <b>business environment</b> 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 <b>Forms of businesses</b> 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 <b>Governing policies</b> on Small Scale Enterprises (SSEs) are determined as per business procedures and strategies</p> <p>4.5 Problems of starting and operating SSEs are explored as per business procedures and strategies</p>
<p>5. Apply entrepreneurial motivation</p>	<p>5.1 <b>Internal and external motivation</b> factors are determined in accordance with <b>motivational theories</b></p> <p>5.2 Self-assessment is carried out as per <b>entrepreneurial orientation</b></p> <p>5.3 Effective communications are carried out in accordance with <b>communication principles</b></p> <p>5.4 Entrepreneurial motivation is applied as per motivational theories</p>
<p>6. Develop innovative business strategies</p>	<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 <b>Innovative business strategies</b> 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> <p>7.7 Business plan is presented as per best practice</p>
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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.

<b>Variable</b>	<b>Range</b> include but not limited to:
1. Types of entrepreneurs but not limited to:	<p>1.1 Innovators</p> <p>1.2 Imitators</p> <p>1.3 Craft</p> <p>1.4 Opportunistic</p> <p>1.5 Speculators</p>
2. Principles of Entrepreneurship but not limited to:	<p>2.1 Visionary</p> <p>2.2 Solution provider</p> <p>2.3 Accountability</p> <p>2.4 Growth and marketing</p> <p>2.5 Resilient</p> <p>2.6 Tenacious</p>

<p>3. Characteristics of Entrepreneurs include but not limited to:</p>	<p>3.1 Creative  3.2 Innovative  3.3 Planner  3.4 Risk taker  3.5 Networker  3.6 Confident  3.7 Flexible  3.8 Persistent  3.9 Patient  3.10 Independent  3.11 Future oriented  3.12 Goal oriented</p>
<p>4. Requirements for entry into self-employment</p>	<p>4.1 Technical skills  4.2 Management skills  4.3 Entrepreneurial skills  4.4 Resources  4.5 Infrastructure</p>
<p>5. Internal motivation include but not limited to:</p>	<p>5.1 Interest  5.2 Passion  5.3 Freedom  5.4 Prestige</p>
<p>6. Business environment</p>	<p>6.1 External  6.2 Internal  6.3 Intermediate</p>
<p>7. Forms of businesses</p>	<p>7.1 Sole proprietorship  7.2 Partnership  7.3 Limited companies  7.4 Cooperatives</p>
<p>8. Governing policies</p>	<p>8.1 Increasing scope for finance  8.2 Promoting cooperation between entrepreneurs and private sector  8.3 Reducing regulatory burden on entrepreneurs  8.4 Developing IT tools for entrepreneurs</p>
<p>9. External motivation include but not limited to:</p>	<p>9.1 Rewards  9.2 Punishment</p>

	9.3 Enabling environment 9.4 Government policies
10. Entrepreneurial orientation include but not limited to:	10.1 Passion 10.2 Interest 10.3 Hobbies 10.4 Skills
11. Innovative business strategies include but not limited to:	11.1 New products 11.2 New methods of production 11.3 New markets 11.4 New sources of supplies 11.5 Change in industrialization
12. Communication principles include but not limited to:	12.1 Feed back 12.2 Attention 12.3 Clarity 12.4 Timeliness 12.5 Adequacy 12.6 Consistency 12.7 Informality
13. Motivational theories include but not limited to:	13.1 Marslows theory 13.2 McClelland theory 13.3 Fredrick Tylors theory

## 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:

- Assessing a range of alternative products and strategies
- Critically analyzing information, summarizing and making sense of previous and current market trends
- Identifying changing consumer preferences and demographics
- Thinking “outside the box”
- Ensuring quality consistency
- Reducing lead time to product/service delivery
- Management
- Using formal problem-solving procedures, e. g., root-cause analysis, six sigmas
- Communication
- Applying motivational principles, e. g., positive stroking, behavior modification

- Assessing range of alternatives rather than choosing the easiest option
- Achieving ownership and credibility for the enterprise vision
- Critically analyzing information, summarizing and making sense of previous and current market trends
- Developing solutions and practical strategies which are “outside the box”

### **Required Knowledge**

The individual needs to demonstrate knowledge of:

- Entrepreneurial competencies
  - ✓ Decision making
  - ✓ Business communication
  - ✓ Change management
  - ✓ Coping with competition
  - ✓ Risk taking
  - ✓ 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
- Concepts of change management
- Relevant developments in other industries
- Regional/ County business expansion strategies
- Innovation in business

## EVIDENCE GUIDE

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

<p>1. Critical Aspects of Competency</p>	<p>Assessment requires evidence that the candidate:</p> <ul style="list-style-type: none"> <li>1.1 Distinguished entrepreneurs and business persons correctly</li> <li>1.2 Identified ways of becoming an entrepreneur appropriately</li> <li>1.3 Explored factors affecting entrepreneurship development appropriately</li> <li>1.4 Analysed importance of self-employment accurately</li> <li>1.5 Identified requirements for entry into self-employment correctly</li> <li>1.6 Identified sources of business ideas correctly</li> <li>1.7 Generated Business ideas and opportunities correctly</li> <li>1.8 Analysed business life cycle accurately</li> <li>1.9 Identified legal aspects of business correctly</li> <li>1.10 Assessed product demand accurately</li> <li>1.11 Determined Internal and external motivation factors appropriately</li> <li>1.12 Carried out communications effectively</li> <li>1.13 Identified sources of business finance correctly</li> <li>1.14 Determined Governing policy on small scale enterprise appropriately</li> <li>1.15 Explored problems of starting and operating SSEs effectively</li> <li>1.16 Developed Marketing, Organizational/Management, Production/Operation and Financial plans correctly</li> <li>1.17 Prepared executive summary correctly</li> <li>1.18 Determined business innovative strategies appropriately</li> <li>1.19 Presented business plan effectively</li> </ul>
<p>2. Resource Implications</p>	<p>The following resources should be provided:</p> <ul style="list-style-type: none"> <li>2.1 Check list</li> <li>2.2 Research tools (Questionnaire, interview guide, observation schedule)</li> <li>2.3 Materials, tools, equipment and machines relevant</li> </ul>
<p>3. Methods of Assessment</p>	<ul style="list-style-type: none"> <li>3.1 Written tests</li> <li>3.2 Observation</li> <li>3.3 Oral questions</li> <li>3.4 Third party report</li> <li>3.5 Interviews</li> <li>3.6 Case problems</li> <li>3.7 Portfolio</li> </ul>
<p>4. Context of</p>	<ul style="list-style-type: none"> <li>4.1 Competency may be assessed in workplace or in a simulated</li> </ul>



Assessment	workplace setting 4.2 Assessment shall be observed while tasks are being undertaken whether individually or in-group
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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