

Unit 1 new content to
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Innovation and entrepreneurship

New text to come here new text to come all deal with businesses every day. New text to come here new text to come you use something bought from a shop, or simply see or hear an advertisement, business is everywhere. New text to come here new text to come, new text to come can vary in size from small local businesses such as cafes to massive global such as new text to come here new text to come. New text to come here new text to come of size, businesses are responsible for the majority of goods and services produced around the world. New text to come here new text to come will involve many different skills. New text to come and services that we as cons new text umers want.

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chapter 15

Source 1 New source to come.

15A

What are the characteristics of an entrepreneur?

- 1 Why do you think it is important for business to be creative and demonstrate initiative?
- 2 What strategies can people use to set and achieve goals?

15.1 Innovation and entrepreneurship

Entrepreneurs

An entrepreneur is someone who takes on the risk of starting their own business. They see an opportunity or have an idea for a new business that will earn them an income and possibly satisfy other personal goals. However, not all businesses are successful. Many entrepreneurs risk losing the time, effort and money that they have invested in the business idea if it doesn't work out.

Successful entrepreneurs are often characterised by the following:

- 1 willingness to take calculated risks
- 2 resilience or the willingness to bounce back from failures
- 3 strong work ethic
- 4 passion for the business they are in
- 5 understanding of finances.



Source 1 John Ilhan was a famous Australian entrepreneur. The young Turkish migrant from Broadmeadows started mobile phone selling business 'Crazy John's', which grew in value to hundreds of millions of dollars.



Source 2 Janine Allis is an Australian entrepreneur who founded Boost Juice in 2000. Boost now has more than 350 stores in 17 countries.

Innovation

Innovation is the act of creating or starting something new and different. Innovators can improve on an existing idea or create something completely new from scratch. Businesses that are innovative will be successful as they are constantly finding new ways to stay ahead of their competition. This is known as a **competitive advantage** and is incredibly important for today's businesses, which can face competition from all over the world. Quite often, an innovative idea will present an opportunity for an entrepreneur to start a business. Innovation not only creates business opportunities but can benefit society as a whole. It is responsible for nearly every item that you use on a day-to-day basis.

Successful innovators are often characterised by the following:

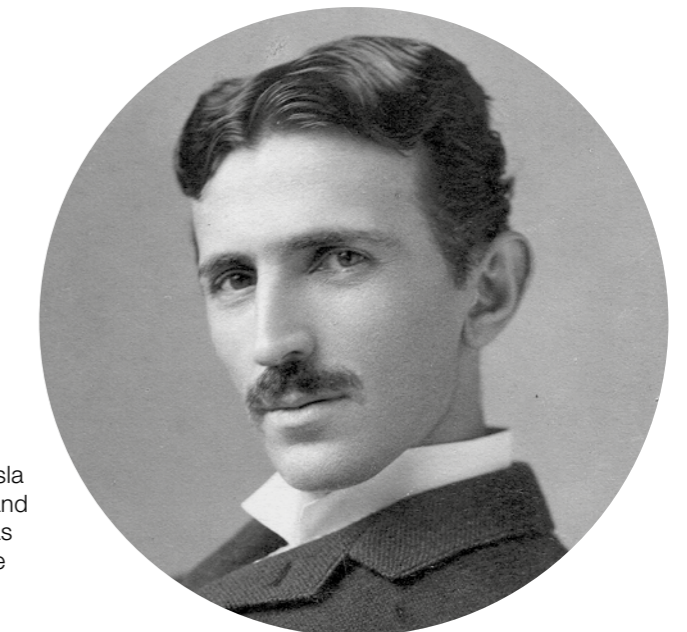
- 1 They question everything and consider new possibilities.
- 2 They observe their surroundings and look for ways to improve things.
- 3 They network with different types of people and are open to different ways of thinking.
- 4 They experiment with new ideas.
- 5 They draw connections between the different things that they learn about.

Source 4 Serbian scientist Nikola Tesla had hundreds of inventions from AC and wireless electricity to the radio. He was not motivated by money but rather the desire to help people.

15A What are the characteristics of an entrepreneur?



Source 3 New technologies such as this 3D printer are constantly creating new opportunities for businesses.



Check your learning 15.1

Remember and understand

- 1 What is an entrepreneur?
- 2 List the five common characteristics of an entrepreneur.
- 3 What is innovation?
- 4 List the five common characteristics of innovators.

Apply and analyse

- 5 Why do you think each of the five entrepreneurial characteristics would be important for anyone who is starting their own business?

- 6 Look at Source 3, explain how 3D-printer technology might create business opportunities?

Evaluate and create

- 7 Use the internet to research a famous entrepreneur. Write a short biography and list the key characteristics that you think would have helped them to become a successful entrepreneur.
- 8 Use the internet to research a famous innovator. Write a short biography and list the key characteristics that you think would have helped them to become a successful innovator.

15.2 Business goals

While the main goal or objective of most businesses is to make a profit, there are many other goals that a business wishes to achieve. These goals might include to grow the business over time or to improve an area

of the business' operations. Whatever they are, a good business will set goals so that everyone in the business knows what they are working towards and can focus on achieving those goals.



Source 1 The famous philosopher Seneca described setting goals as something that is required for success to be possible.

S.M.A.R.T goals

It is very important for a business to set the right goals. A goal-setting technique commonly used by both individuals and businesses is the S.M.A.R.T goal principle.

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- S** • Specific
Clear and easy to understand. The goal should say exactly what will be achieved and when it will be achieved.
- M** • Measurable
Must be easily identified as a number, and can be measured in dollars, time, quantity, etc.
- A** • Achievable
Goals must be challenging, but doable.
- R** • Relevant
The goal is something that the business should be aiming to achieve.
- T** • Time-bound
A realistic time by which the goal should be achieved.

Source 2 Businesses and individuals can use the S.M.A.R.T goal principle to help them set the right goals.

Financial vs non-financial goals

Financial goals are directly related to money. A business will often set financial goals around increasing its sales and profit or reducing its costs. For example, a small business might set a goal to increase its sales by 10% from one year to the next.

Non-financial goals are those that are not directly related to money. Although many of these goals will ultimately help the business to earn money, they are not based on or measured by dollar amounts. Businesses might set non-financial goals around improving customer satisfaction, training employees or reducing their environmental impact. For example, a small business might want to increase its level of customer satisfaction by 5% over the next six months. It could measure this by asking customers to complete a survey about their experience with the business.

Once the business has set its goals, it can develop a strategy or plan for how it will best achieve the goals. For example, it might plan to achieve its goal of improving customer satisfaction by training its employees to deal with customer complaints in a friendly manner.



Source 3 A successful business needs to develop strategies that will help it achieve its goals and compete against other businesses.

Check your learning 15.2

Remember and understand

- 1 What is the main objective of most businesses?
- 2 What is the difference between financial and non-financial goals?
- 3 What is a strategy?

Apply and analyse

- 4 Look at Source 1.
 - a Explain in your own words what you think Seneca meant when he said 'If one does not know to which port one is sailing, no wind is favourable'?
 - b Do you think this saying applies to businesses, individuals or both?

- 5 Look at Source 2 and determine whether the following goals are S.M.A.R.T.
 - a The business will be better than its competitors in the next financial year.
 - b The business will increase its level of sales by 10% over the next six months.
 - c The business will offer three new products.

Evaluate and create

- 6 Create a S.M.A.R.T goal that you wish to achieve. You may wish to focus on improving your test scores during the year or learning to play a certain number of songs on an instrument by the end of the term. Make sure you reflect on whether or not you have achieved your goal when the time you set for it finishes.

15A rich task

Social entrepreneurs: Thankyou

Not all entrepreneurs are interested in making money for themselves. Social entrepreneurs, like the founders of Thankyou, aim to make the world a better place through their business activities.

The Thankyou Group was started in 2008 by enthusiastic Australian university students Daniel Flynn, Justine Flynn and Jarryd Burns. They saw an opportunity to help the 900 million people who did not have access to safe drinking water by starting their own not-for-profit bottled water business named 'Thankyou Water'. Although it took three years before the product saw some success, it eventually became popular with consumers who wanted to know their spending money was going to a good cause.

thankyou.™

Source 1 The Thankyou Group currently has three brands: Thankyou Water, Thankyou Food and Thankyou Body care.

Today, the social enterprise has grown to include a range of body care and food products as well. The Thankyou Group has given millions of dollars to fund projects in over 17 countries, providing hundreds of thousands of people with water, food, hygiene and sanitation solutions.

Thankyou represents more than just another business idea. Its story is an example of what people can achieve when they use their entrepreneurship to make a difference.



Source 2 The Thankyou Group was founded to help provide people around the world with safe drinking water.



Source 3 Co-founders Jarryd Burns, Daniel Flynn and Justine Flynn took a different approach to business. They saw it as a way of helping people rather than making money.



Source 4 The Thankyou Group helps people in need across 17 countries, including Kenya.

skilldrill: Reasoning and interpretation

Interviewing an entrepreneur

Interviews are a great way of finding out, first hand, about a subject we are interested in. With the right approach and preparation, we can learn more about how and why people such as entrepreneurs do what they do. We might even be able to get a few tips to help us become successful entrepreneurs.

- Step 1** Respectfully approach an entrepreneur and politely request to interview them at a time that suits them.
- Step 2** Prepare a list of questions that you wish to ask the entrepreneur. Because entrepreneurs are often busy running their business, a good idea would be to ask a maximum of 10 questions. Your questions could focus on the following areas:
- the business and how it runs
 - the reasons they became an entrepreneur
 - what it takes to be an entrepreneur
 - the challenges and successes faced as an entrepreneur.
- Step 3** Prepare the right equipment. It is better to record the interview with your smartphone or camera than it is to try to write down the responses to your questions as you go, but remember to ask permission before you record someone.

Step 4 Conduct the interview. Make sure you are well presented, polite and punctual to the interview. When you complete the interview be sure to ask the entrepreneur if they have any questions for you and thank them for their time.

Step 5 Write up the interview responses and any other notes you made from the interview.

Apply the skill

- 1 Use the above steps to interview the owner of a small business. Make sure you are supervised by an adult when you conduct the interview. If this is not possible you can conduct the interview over the phone.
- 2 Write a 200-word reflection on what you learnt from the interview and how it helped you to better understand the world of business.

Extend your understanding

- 1 Visit the Thankyou Group website (thankyou.co) and write a brief report on how the social enterprise is helping those in need.