

**ENTREPRENEURSHIP AND SMALL BUSINESS
MANAGEMENT (ESBM)**

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Entrepreneurship is the way to set up a business by considering different risks related to it such as financial or managerial. The entrepreneurial ventures can have different ownership structures and the entrepreneurs need to have certain skills and characteristic to development and management of a business. The experience and personal background can have diverse effect on the entrepreneurship that can foster or hinder a business. The study is going to focus on different types of entrepreneurial ventures, their effect on the economy. Apart from this, the skills and mindset needed to set up a business will be elaborated along with the ways experience and personal background can affect a start-up business.

P1 Discussion of different types of entrepreneurial ventures and explanation about the ways those relate to the typology of entrepreneurship

The entrepreneurial ventures are different in types as follows:

Small business entrepreneurship: These type of startup businesses can only be run by the owners and the number of employees are very low. Along with this, the revenue generation are not much and these organizations continuously focusing on getting more clients and development of its products or services. This type of business can be run with family members and with friends as partner. However, several small businesses are there that provides innovative products or services and grow exponentially (Drucker, 2014).

Scalable startup entrepreneurship: These types of businesses start business with innovative ideas and focus on providing innovative products or services from the starting. These types of entrepreneurs believe that their ideas can change the world and they search for investment from venture capitalists. These organizations look for brightest mind for the business and they tend to set up a scalable business model.

Large company entrepreneurship: The large organisations have finite life cycle and they focus on providing new products or services to the customers for sustainability and longevity of the business. The demand of the customers and trends are changing eventually along with competition, legislation that forced the large organization in disruptive innovation and create new products for entirely new market. However, the large size of the organization makes the disruptive innovation difficult.

Social entrepreneurship: This type of entrepreneurship focus on solving different social problems by delivering their products or services. This organisations focus on creating a better world for the people and can be for-profit, non-profit or hybrid (Scarborough, 2016).

P2 Exploration of the similarities and differences between Entrepreneurial ventures

Differences and similarities between different entrepreneurial ventures are following:

Factors	Small business entrepreneurship	Scalable startup entrepreneurship	Large company entrepreneurship	Social entrepreneurship
Goals and objectives	These organizations might not have structured goals and objects and works on achieving lesser profitability and growth.	These business aims to provide innovative products constantly and achieve high profitability for investors (Kirzner, 2015).	These organizations aim to sustain in the market by developing new products or services and marketing strategies.	These organisations aim to provide quality products or services to make the world a better place.
Risks	The risks might be lower but competition is high with same sized organisations.	The risks are high due to high amount of financial investment and pressure to return high amount to the investors by achieving high sales volume.	The risks are medium because large businesses often manage to sell high volume due to their brand value.	The risks are not much high because, these businesses often get support from government and public due to their vision.
Employee number	Employees are not more than 50.	Depends on structure and size.	Employees can be more than 1000.	Depends on the size of the business.
Structure	No proper organisational structure and often run with	Mainly corporations or limited partnerships.	The organizational structure is often complex and can	Mainly trustee based organisations.

	sole proprietorship or in partnership.		be public limited or private limited company (Dees, 2017).	
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M1 Investigating diverse range of entrepreneurial ventures to demonstrate an understanding of entrepreneurship in both public and corporate sector

In public sector: The public sector organisations are controlled by government directly or indirectly. The government invests higher amount on those organisations and different private organisations provide strategic help to those. These type of organisations have establishment in different sectors and aims to provide quality products or services to the customers. These organizations do not emphasis on profitability rather than social welfare and development.

In corporate sector: These type of organisations run privately and can be owned by individuals or public. These organisations develop marketing strategies to provide quality products or services to customers to enhance their profitability and longevity of the organisations. Many large organisations, scalable entrepreneurship ventures are associated with corporate sectors that focus on sustainable development by focusing on its competitors and developing strategies to gain competitive advantages (Baum *et al.* 2014).

D1 Critically examine the scope, development and growth of entrepreneurial ventures

According to Kuratko (2016), the vision, mission and objectives of different entrepreneurial ventures are different that affects the scope of those organizations. If those organisations can develop products that can meet the demand of the customers, then they can sustain for longer time by generating profitability. The entrepreneurial ventures need to focus on development by getting investments and plan to develop their products or services in accordance with current trends and demand. As opined by Storey, (2016), those need to develop an effective organizational structure that can enhance communication with different department to run its regular activities. The growth of different entrepreneurial ventures is dependent on their quality of products and services, how much they can meet the demand of the customers, pricing and sustainable strategies.

P3 Interpretation and assessment of relevant data and statistics to illustrate the ways micro and small businesses impact on the economy

In every industry, the micro and small business captures a higher part and contribute highly in the economy of a country. The number of micro and small businesses is increasing over time that generates high revenue by providing different products and services to the customers.

**Of every 100 enterprises in the UK,
99 have fewer than 250 employees.**

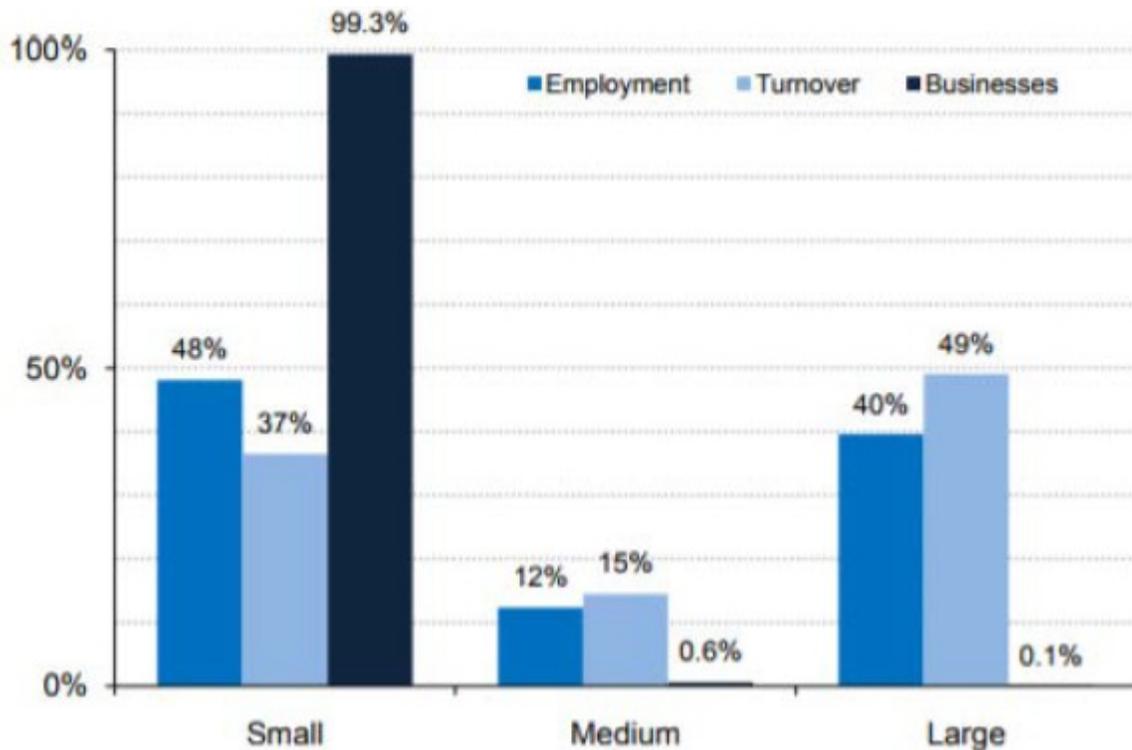


**There are more than 4.5m of these small
and medium enterprises (SMEs).**

Comparison of SMEs and large businesses in the UK

(Source: Brenkert, 2017)

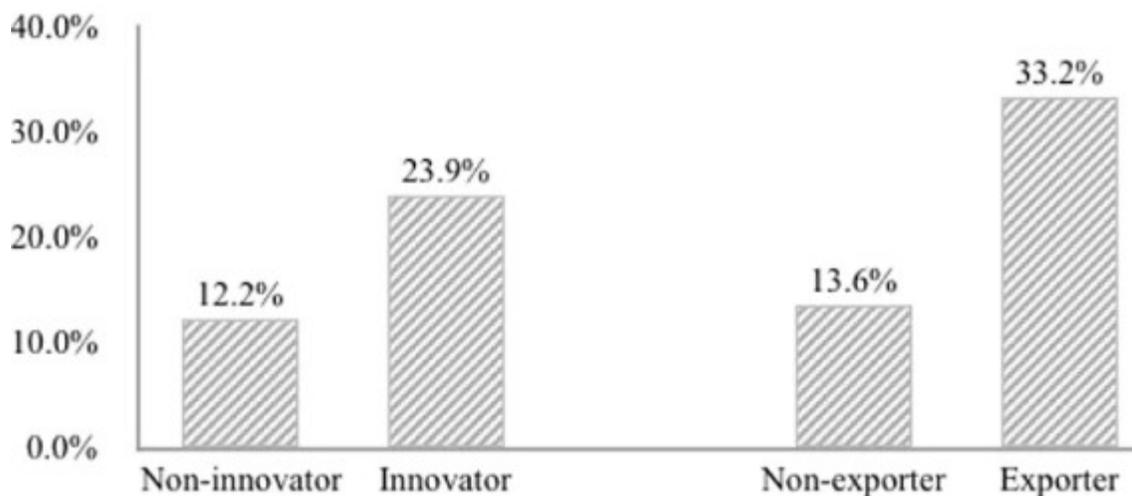
In the UK, the number of small businesses are high in different industry and there are more than 4.5 million SMEs are established throughout the United Kingdom, which is almost 99% of all the businesses in the country (Brenkert, 2017). Therefore, the revenue generated by those businesses have high contribution to the GDP of the UK. Within all the businesses, 96% are considered as micro business that employs only 0-9 people. Those businesses provide 33% of employment and 22% of total turnover.



Share of businesses in the UK

(Source: Schaper *et al.* 2014)

According to the graph, the number of small and micro businesses is much higher than medium and large businesses in the UK. Small and micro businesses earn 37% of turnover and provide 48% of employability throughout the UK (Schaper *et al.* 2014).



Business type of micro and small businesses in the UK

(Source: Burns, 2016)

The small and micro businesses can be categorised as innovator, non-innovator, exporter and non-exporter. Those businesses generate revenue with or without innovation and many of those exports products and get foreign currencies and contribute to the economy of the UK (Burns, 2016).

P4 Explanation of the importance and business start-ups to the growth of the social economy

In order to maintain the growth of social economy, the start-up businesses have high influence in different countries. The startup businesses often comes with innovative ideas of products and services that can meet certain requirements the people comparatively other businesses. Apart from this, sometimes startup businesses can capture the market very fast and managed to generate higher revenue in very short time period. In this process, those businesses need to provide high amount of business tax that can be helpful of the growth of a country. Apart from this, in order to run a business, startups hire people which can reduce unemployment in a country (Baum *et al.* 2014). There are many startups who cannot provide high salaries to the employees due to lack of capital and those hires some of the lesser skilled employees with lower salaries that is also helpful in decreasing unemployment problem.

Many startups are associated with different types of CSR activities related to social, environmental and economic problems to enhance brand value. In this procedure, those businesses provide education to the people in rural areas or people with poor financial background. Those people can use that education in future to get work that is also helpful in economic growth. Apart from this, there are a high number of startups businesses are established in different industries in the UK, which have high contribution in the GDP of a country.

M2 Evaluation of the differences make by small, medium and large businesses to the UK's economy through relevant published data and statistics

In the United Kingdom, the number of small and medium businesses is high compared to larger organisations. The small and medium-sized businesses have captured larger part of every industry and contribute to the economy of the UK highly. However, the larger businesses earn a high revenue solely by providing quality products and services and due to their brand value. Many large businesses of the UK have establishment in different countries that is helpful in earning foreign currencies. The larger businesses consist of different operational activities and

they employ higher number of candidates compared to other organisations. The large organisations also spend higher amount in CSR activities in a country (Brenkert, 2017).

The small and medium-sized businesses focus on providing innovative products to the customers gain attraction and enhancement of business growth. Those businesses also export higher volume and also employ high number of candidates in the UK that is helpful in reducing unemployment.

D2 Critically examine the ways small businesses have an impact on different levels of the economy in a global, regional, national and international context

The small businesses in the UK have diverse effect on the economy of the country in different levels. As per Drucker (2014), in regional level, the small businesses can compete with same types of businesses by providing quality products and services that can meet the demand of the customers more effectively. Those businesses are focusing on hiring employees with lesser salaries due to lack of finance and employ people who have lesser skillset compared to others, which is helpful in reducing unemployment. As argued by Kirzner (2015), in national level, that organisation can expand to different areas of a country and enhance revenue generation that enables them to provide higher tax for development of the country. In global and international level, many of the small organisations export its products and services and set up branches in different countries. It is helpful in earning foreign currency that contributes to growth of the country.

P5 Determination of the characteristic traits and skills of successful entrepreneurs that differentiates from other business managers

Different characteristics traits and skills are essential for the entrepreneurs to set up a successful business and enhance its growth. In order to set up a businesses, different procedures needs to be considered by an entrepreneur and those needs to be completed single-handedly due to lack of capital in first. The personal characteristic do the entrepreneurs are following:

- Ability to generate new ideas
- Ability to take risks
- Have vision and goals
- Have motivation to achieve the goals
- Good management skills related to resources, financial and human resources (Schaper *et al.* 2014)

The personal skills of an entrepreneur are following:

- Communication skill is needed to interact with range of people such as suppliers, distributors, clients, employees and more
- The leadership skills is needed to show the path to the employees for achieving goals
- Negotiation skill is needed to deal with clients and also to mitigate any internal problems
- Time management skill is important to complete the tasks on time to achieve success

P6 Assessment of the ways aspects of the entrepreneurial personality reflect entrepreneurial motivation and mindset

The entrepreneurial personality of an individual is essential in set up a business and be motivated to deal with different problems and risks associated with it. The entrepreneurial personality involves characteristics through which an individual can generate new ideas and implement it to generate revenue. Those ideas need to meet certain demand of the customs and an entrepreneur need to constantly develop those ideas for sustainability. An entrepreneur needs to have ability to take risks and use the resources carefully for the businesses. They need to set the goals, mission and vision for the business and develop strategies to achieve those (Brenkert, 2017). The entrepreneur needs to identify the opportunities to make sales and generate revenue. Therefore, they need to be self-motivated to run the business by managing the risks related to it and have the mindset to achieve the goals continuously.

M3 Exploring and examine different lines of argument relating to entrepreneurial characteristics

The characteristics of a entrepreneur have high similarities with the characteristics of the leader. In this procedure, entrepreneurs need to set goal for their businesses, deal with the risks and make plans to achieve those goals. They need to deal with a number of people such as employees, investors, suppliers, distributors and more single-handedly. Along with this, they need to plan and allocate resources and show path to the employees to fulfil organizational; objectives. The entrepreneur also needs to have good management skill to manage the organization and deal with any conflicts effectively (Dees, 2017). As an instance, Ms Rana Harvey is motivated and passionate to run the business have belief in oneself. She can work hard, plan effectively and manage the organization by dealing with different problems to grow the business.

D3 Analysing the characteristic skills, traits and motivational drivers of at least two successful entrepreneurs with example

Ms Rana Harvey set up the Monster Group that is progressed very fast and certain skills and traits of Ms Rana Harvey have high contribution to it. She is highly passionate and motivated to run the business and as a chemist, she runs the business as a laboratory so that she can work effectively without getting bored. She has self-belief and maintains the discipline to complete her tasks. She can work hard can conduct the work single-handedly. Along with this, she can make the finance of the businesses effectively and allocate to different tasks. She can plan the future and make strategies deal with risks and run the operations.

Zac Williams is the owner of GradTouch that provides support to the students and provide consultancy services to the organisations to get skilled employees. He has good communication skill to get clients and have risk-taking ability to set up the business. Along with this, he has innovative idea through which he can help the students in finding a good job along with providing efficient employees for the businesses. He also has high motivation to deal with the risks and plan the business along with management skills.

P7 Demonstration by examples about the ways personal background and experience can hinder or foster entrepreneurship

Personal background and experience can have high effect on a business and it can foster or hinder the business the entrepreneurship. The personal background consists of support from friends and family, motivation, financial background and others. In this procedure, if one can get correct support from their friends and family, then they can be motivated to set up a business. The Support can enhance the motivation and risk-taking ability that can foster the entrepreneurship. The financial background can also influence the risk-taking ability of an individual and startup a business. However, without support from family and friends, many individuals become demotivated in entrepreneurship (Schaper *et al.* 2014).

The personal experience also has influence in entrepreneurship. If the experience is good then one can continue with their business for longer time and become motivated to set up a business. However, if the experience is not good, then one might be afraid to set up a business.

M4 Analysing the link between entrepreneurial characteristic and the influence of personal background and experience to specific successful entrepreneurs

The personal background and experience can allow an individual to set up a successful business. Ms Rana Harvey is a chemist who set up a business named Monster Group. In this procedure, she plans the business, recruit employees and make strategies for marketing and dealing with risks. She is self-motivated and uses her office a chemistry lab so that she cannot become bored and work effectively. She is self-motivated and participated in business programs to gain experience by associating with other busies and use it for own business process. She also conducts future planning, focuses on financial management and works hard to run operations.

Zac Williams is owner of GrandTouch that provides consultancy services to the business and provide support to the students to get a job. He is also self-motivated and set up a business while failed to find job in Accenture. He builds up a good experience for the students and other clients through which he becomes motivated to run the business activities. He can take risk, plan the business and interact with clients, which are essential part of the business to grow.

D4 Critically evaluating the ways background and experience influences entrepreneurship both positively and negatively by comparing and contrasting examples

The background and experience of an individual can affect the entrepreneurship in both positive and negative ways. Ms Rana Harvey and Zac Williams have motivation to set up a business and deal with different problems to grow. They get efficient support from team members to be motivated and run the organization. As argued by Dees (2017), there are many businesses that cannot survive for longer time due to inefficient team and lack of motivation to keep the growth. The past experience of failure can affect the entrepreneurship negatively. According to Kuratko (2016), if one has strong financial background and support, then they can take risk to set up a business and run effectively.

Conclusion

The startup businesses can be different types such as small, micro, medium and large businesses. The small businesses capture a large part of every industry and have high contribution in

economy of a country. The entrepreneurs need to have certain skill and mindset to setup and run a business by considering different risks.

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