

Leadership - Role of an entrepreneur - Entrepreneurial motives and characteristics

2017-18

LEADERSHIP

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- ▶ leaders *develop* **strategies** while managers *implement* them

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- ▶ **laissez-faire** leadership: provides others with the proper tools and lets them do (what are the downsides?)

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CREATING & SETTING UP A BUSINESS

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 - ▶ getting back to previous job

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 - ▶ *Lifestyle choices*: business attracts people who want to make a lifestyle change (i.e., move to another country and open a B & B)

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 - ▶ *Launch*: business starts trading

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 - ▶ *Production*: monitor product quality and consistency

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 - ▶ individuals can *experiment* and *be creative* without having to face costs

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BARRIERS TO ENTREPRENEURSHIP

Barriers that discourage future entrepreneurs from starting

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- ▶ *Corrupt and unsupportive environment*: political instability, corruption, bribery

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ANTICIPATING RISK & UNCERTAINTY

Entrepreneurs have *some* control over *risk* (they can decide how much risky investment they will do), but they have *no* control over *uncertainty*.

- ▶ *Anticipating risk*: use quantitative techniques to deal with risk (i.e., decision trees). Quantitative techniques help to quantify the possible outcomes of actions.

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- ▶ *Anticipating uncertainty*: use risk assessment and scenario planning to reduce uncertainty.

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 2. **Self-determination:** take control and influence *events*

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 - ▶ **Negotiating:** terms of contract, prices, wages
 - ▶ **IT skills:** use spreadsheets (for cash-flow forecasts), social media and website for advertising, specialist software for designing

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 - ▶ **Home working:** setting up a business at home

RESOURCES FOR STARTING A BUSINESS

LITERATURE

- ▶ if you have access to the *Financial Times*, visit [▶ Link](#)
- ▶ every year the FT updates a guide on how to set up a business

