

ENTREPRENEURSHIP

The concept of entrepreneur has a wide range of meaning. On the one extreme an entrepreneur is a person of very high aptitude who pioneers change, possessing characteristics found in only a very small fraction of the population. On the other extreme of definitions, anyone who wants to work for himself or herself is considered to be an entrepreneur.

Entrepreneurship plays a vital role in industrial development. The terms entrepreneur is often used synonymously with entrepreneurship. Though they are two sides of the same coin, conceptually they are different. The entrepreneur is a business leader and the functions performed by him is Entrepreneurship.

Definition

An entrepreneurship is the process of creating new business idea, organizing, coordinating and undertaking risk and handling economic uncertainty.

An entrepreneur is a person who initiate the idea of starting the business, mobilize the necessary resources for the identified business and undertake the tasks and risks.

CHARACTERISTICS OF ENTREPRENEUR

An entrepreneur should have the following characteristics:

- 1) **Hard working:** He/she is committed to his or her work.
- 2) **A risk taker:** He/she initiates ventures that involve an element of risk.
- 3) **Self-confident:** He/she is sure of what he or she can achieve.
- 4) **Creative and innovative:** He or she comes up with unique ideas and products.
- 5) **Goal-oriented:** He/she sets goals and works hard to achieve them.
- 6) **Future-oriented:** He/she observes current trends to forecast opportunities in the future.
- 7) **Persistent and patient:** He/she is determined and does not give up easily.
- 8) **Independent:** He/she is able to work on his or her own to achieve set goals.
- 9) **Flexible:** He/she can adapt easily to changes
- 10) **A decision-maker:** He/she solves problems quickly and with tact

Importance of Entrepreneurship.

- i) Create employment in both direct and indirect way.
- ii) Improve standards of living of people through income earned from employment.
- iii) Facilitate the use of local resources which would otherwise be left idle.
- iv) Promote economic growth due to increased production of goods and services.
- v) Provide good training grounds for future business managers and entrepreneurs who initiate their own business.
- vi) Promotes the distribution of wealth in an economy.
- vii) Increase varieties of goods and services available to consumers in an economy.
- viii) Encourage development of infrastructure in areas where entrepreneurial activities are located.

Functions of an Entrepreneur

- a) To initiate the idea of starting a business, examining the worth and feasibility of establishing a firm.
- b) To decide about the nature of the business location of the undertaking and determines what and how to produce and the market to be served.
- c) To employ and organize the other factors of production according to production, sale and financial plans and policies etc.
- d) To guide, direct and supervise the functions performed in each department of the firm to achieve desired production.
- e) To innovate i.e. to adopt latest methods of production and management as well as exploration of new markets for products through marketing research.
- f) To keep constant watch to control the costs, reduce the wastes and maintain suitable quality of workmanship in production.
- g) To take or bear risks of the enterprises fall in demand, fire, damage of products, theft etc which lead to losses, if everything works as per plan and expectation he will be suitably rewarded with a profit margin.

Self-employment

Self-employment is a situation in which an individual works for him/herself instead of working for an employer that pays a salary or wages. A self-employed individual earn his/her income through conducting profitable operations from a trade or business that he/she operate directly. To be self-employed an individual is normally highly skilled in a trade or has a nice product or service for their local community.

Benefits of self-employment

- i) Independence
An entrepreneur decides when, where and how to work to get the job done.
- ii) Financial rewards
Sometimes the business become very profitable, therefore an entrepreneur can enjoy the profit of the business without any terms and deductions.
- iii) Flexibility in how much tax an entrepreneur will pay and when to pay it.
- iv) Contribution in distribution of income to family members by hiring them as employees to his/her business.
- v) Self-employment has a wider range of pension choices.
- vi) Self-employed person can decide when to spend money so as to help his/her business to grow.
- vii) Choice of customers; when you are self-employed you can choose for the customers you want to work for.
- viii) No dress code
- ix) Working fewer hours

Risks of self-employment

- i) Risk of failure; when you are self employed, it is your own money or money you borrowed at risk. Having your own business, increase the problems associated with failures.
- ii) Decision making can be wrong; there will be no one to bail you out from your mistakes and as a general rule you can not move forward without some mistakes.
- iii) Health insurance and pension costs are not included automatically therefore a person will have to meet these needs from his/her income.

- iv) It is impossible to escape from pressures, especially those comes from clients and customers who will often dictate your working hours.
- v) Income stream may fluctuate throughout the year. You may have very little to live on during early times.
- vi) You need to offer a product or service for which there is a demand. This may depend on projecting a certain imaged, perfecting a technique or making a product unique.
- vii) Setbacks may affect your confidence and profits. Be realistic and learn from your mistakes.

Business opportunities

- i) Travel and tourism business

Presently, the travel and tourism industry is considered to be fastest growing sector in Tanzania and it is still much open to investors.

- ii) Constructive company business

There are many of construction jobs to be done in Tanzania because the country lacks many basic infrastructures.

- iii. Agri business

Agriculture is among the growing sectors in Tanzania, it has earned different people a lot of money and improves their standards of living. Agriculture especially farming requires passion and skills to determine the right season for specific crops. Experience is the best teacher.

- iii) Selling cereals

People from towns lacks the land to harvest cereals, they depend on what is supplied by middle men. Setting out the buying and selling of cereals does not require huge capital since some one can sell them in small quantities.

- iv) Payment solutions e.g. Tigopesa, M-pesa, Airtel money etc
- v) Retail shops: (Min-supermarkets, etc)