

Chapter 4 - Enterprise

- (a) Definition of Enterprise & Enterprise vs Management
- (b) Enterprise Skills & Characteristics / Enterprise in Action
- (c) Intrapreneurship

Chapter 4

(a) Definition of Enterprise (Enterprise v. Management)

2012 Q1 Short

Illustrate your understanding of the term *enterprise*.

MS: 4m + 4m + 2m.

Enterprise is a person or group being **innovative/creative/using their initiative**, while taking on a **risk (personal/financial risk)** in order to **achieve a goal or make a profit**.

For example, business enterprise: Mark Zuckerberg taking the risk of setting up Facebook.

2009 Q7 Short

Illustrate the difference between 'enterprise' and 'management'.

MS: 5m (3m + 2m).

Reminder: 'Illustrate' means you must give an example for the extra 2m in each part. With no example, the most you can score in the question is 6/10.

Enterprise

The ability to **generate new ideas** (innovative), to **identify an opportunity** (creative) and to take the **personal risk** (financial and personal) to turn the idea into reality (to make a profit in a business). For example, Casey Neistat set up a new social media app, Beme.

Management

The **process** of getting **objectives** and **activities completed efficiently** and **effectively** with and through **other people (employees** in a business)

Management activities include planning, organising and controlling. For example, Mick McCarthy, Irish football manager.

**(b) Enterprise Skills & Characteristics /
Enterprise in Action**

2017 Q4 (A)

Outline the characteristics/skills that you would associate with entrepreneurs. (20m)
MS: 4@5(2+3)

Innovative/creative

Create new ideas or processes, come up with new ways of doing things or new goods/services that don't currently exist.

Human Relations

Communicate effectively and get on well with people. Ability to network, build relationships, be persuasive (negotiations)

Adaptability / Management of Change

Ability to respond to changing environment, be resilient/creative in dealing with change

Reality Perception

See things how they are, not how they'd like them to be.

Proactive

Don't wait for things to happen, use initiative.

Future Focused

Anticipate future trends/outcomes/needs/gaps in market.

Decisive

Quick & Effective Decision Making, under pressure.

Risk Taking

Take a personal & financial risk with no guarantee of profits.

Determined

Confident in ability, resilient in tough times, has self-belief.

NO LONGER ACCEPTED:

Management Skills (Leading, Motivating & Communicating)

Management Activities (Planning, Organising & Controlling)

Ruthless -- Hard Working -- Time Management

2011 Q4 (A)

Colm has decided to form a tidy towns committee in his local village and enter the 'tidiest village' category of the National Tidy Towns competition in 2013.

Discuss **four** entrepreneurial skills that Colm will require in developing this local community initiative.

MS: Four separate/distinct skills + ref. to tidy towns (2m, 2m, 1m [reference])

Colm will need to be determined and confident in ability, resilient in tough times, and have self-belief. If very few people show for the first meeting, he'll need to believe in the idea and keep going in the hope that more will attend the next meeting if he promotes it.

Colm will need to have good **human relations**, the skill of **dealing with people**, being **good** with them, **getting on with them** and **bringing the best** out of them. Colm will need this to help persuade volunteers to get involved in the initiative.

Colm will have to come up with **new ideas (innovative)** to make his local community initiative work.

He will have to be **creative** in terms of **identifying opportunities**.

He will have to come up with a **unique selling point (USP)** to **differentiate** his local village from others to give it an edge in the competition.

Being good at **assessing situations, identifying options, weighing up the pros and cons** and then **deciding on the best option** that will give the **most advantages**. Colm will have to make decisions (**good decision making**) on his budget and best decide how to spend it to get the most out of it.

2008 Q4 (A)

"Being decisive, creative and being prepared to take risks are personal characteristics often associated with entrepreneurs".

Discuss these characteristics and support your answer with examples. (15 marks)

MS: No marks awarded for headings as they are given in the question. 3 marks for keywords and understanding; 2 marks for a relevant example.

Entrepreneurs have the ability to be **decisive**, needing to make **quick** and **clear decisions** so as **not to miss opportunities**/ the issue of **timing** is **crucial** (e.g. decisiveness when dealing with suppliers and contractors). They take **full personal responsibility for the actions and decisions they make**.

For example, Bobby Kerr saw a gap for a new coffee chain and acted on his idea to set up Insomnia before the market was too full.

Entrepreneurs need to be **creative**, being good at **coming up with new ideas** (innovative) or '**thinking outside the box**'. They can use **market research** and then try to see things in new ways by creating something new.

For example, Dyson vacuum cleaner or Dyson Airblade-fast hygienic hand dryer, which dries hands in 10 seconds and is 83% more energy efficient than conventional hand dryers.

They take both **financial risk** and **personal (reputation) risks** when starting something new but **aren't afraid** to take on a **challenge**. They take a **calculated risk**, which provides a reasonable chance of success, and can act when an **opportunity arises** containing risk.

For example, Eddie O'Connor founder of clean energy company Airtricity (now investing €30 million into a new renewable energy business).

2018 Q4 (C)

Outline two reasons why a person might become an entrepreneur. (10 marks)

MS: 2@5(2+3)

Freedom to do new things.

Enterprise is all about taking a risk and doing something new. There is no job description for the entrepreneur. You are not under the direction of a manager, so the independence and freedom might suit some people.

Earn more income.

An employee earns a wage for being part of a business. They may also earn a commission. However, an entrepreneur keeps all profits made by the business. As the business grows their earning potential grows considerably.

Be their 'own boss'.

The entrepreneur leads a self-directed life in the business. They are not answerable to a manager.

See a gap in the market.

The entrepreneur may see a gap in the market for a good or service and be motivated to start a new business in an attempt to sell to this gap and make substantial profits.

Pro entrepreneur culture in Ireland.

Entrepreneurial activity is encouraged in Ireland. The Local Enterprise Offices (LEO's) offer huge support to local businesses with less than 10 employees, so this culture of enterprise may inspire or encourage someone to open up their own business.

Inspired by other entrepreneurs.

Steve Jobs/Elon Musk may be role models and examples of great success that people may want to follow in to the business world.

(c) Intrapreneurship**2015 Q10 Short**

Outline two methods of promoting *intrapreneurship*.
MS: 5m (3m + 2m) x 2.

Creating a **Culture of Enterprise**: Having a business that **allows mistakes** and encourages employees to **take some risks** in decision-making.

Reward Staff: Incentivize employee creativity/innovation with **bonuses/incentives/pay increases**.

Use **Teamwork**: **Quality Circles** and **Brainstorming** sessions as well as working in inter-departmental **teams** will encourage new ideas and **creativity** in staff.

2008 Q1 Short

(a) Intrapreneurship is: (b) State **two** examples of intrapreneurship.
MS: 6m + 4m (2m + 2m)

Part (a) (*This is the same definition as used in 2013 Q4 (A)*)

This is an employee being innovative/creative/enterprising within a business to improve products/processes/profits for the business. They take the personal risk/responsibility for their idea without the financial risk.

Part (b)

- **New work methods**: A worker in a deli coming up with a quicker way to chop chicken.
- **New production process**: A tailor coming up with a cheaper way to make suits.
- **New product**: An engineer coming up with a new Apple product like the Apple Watch.

2013 Q4 (A)

EducaPrint Ltd is a business publishing schoolbooks in Ireland. John O'Leary, the Production Manager, suggested introducing some of its traditional print books in eBook format. He wanted to tap into the improvements in broadband speed and the major developments in mobile devices. The eBooks were launched onto the market in 2013 to great success. EducaPrint Ltd operated a matrix organisation structure for the development of the eBook products.

(i) Explain the term 'intrapreneurship'

(ii) Outline methods of promoting intrapreneurship in EducaPrint Ltd. (20 marks)

MS: (i) 6 marks (4+2) (ii) 2 @ 7 marks each (4+2+1). Must refer to EducaPrint Ltd.

(i) This is an employee being innovative/creative/enterprising within a business to improve products/processes/profits for the business. They take the personal risk/responsibility for their idea without the financial risk.

(ii) (This is the same as 2015 Q10 Short, referencing EducaPrint.)

Create a Culture of Enterprise

- Having a business that **allows mistakes** and encourages employees **to take some risks** in decision making.
- John O'Leary could reassure staff that no ideas for eBooks will be discarded/dismissed as they may lead to better ideas after.

Reward Staff

- **Incentivise** employee **creativity/innovation** with **bonuses/incentives/pay increases**.
- John O'Leary could offer share options for staff or bonuses based on sales of any new eBook ideas.

Use Teamwork

- **Quality Circles** and **Brainstorming** sessions as well as working in inter-departmental **teams** will encourage new ideas and **creativity** in staff.
- John O'Leary is using a Matrix Structure so employees will be able to interact and this should help encourage new ideas.

2016 Q4 (A)

Discuss how the hotel staff could apply entrepreneurial skills/characteristics to develop the various centenary events.

MS: 4 X 5 (2+3) Discuss – so no headings. You must link a skill/char to staff in the hotel

1. Staff can use their ability to **relate well with people**. Staff will be working in **teams** to generate ideas and **plan events** so good **human relations** are vital. They will also be dealing with **customers** and **potential customers**.
2. Staff at the hotel will need to be **creative** and come up with new ideas (**innovation**). The staff could come up with **new ways of doing things**, like developing a new **unique selling point (USP)** to **distinguish** its hotel from other hotels.
3. Staff at the hotel will need to be able to **adapt to changes**. The hotel industry environment is very **dynamic** so everything may not go exactly to plan. Staff need to be **flexible** when dealing with new situations with customers etc...
4. Staff at the hotel need to be **proactive, acting in advance of a future situation**, rather than just **reacting** to it. Staff need to **take control** and **make things happen** rather than waiting for something to happen or they may **miss an opportunity** around the centenary event.

Any other entrepreneurial skill/characteristic acceptable