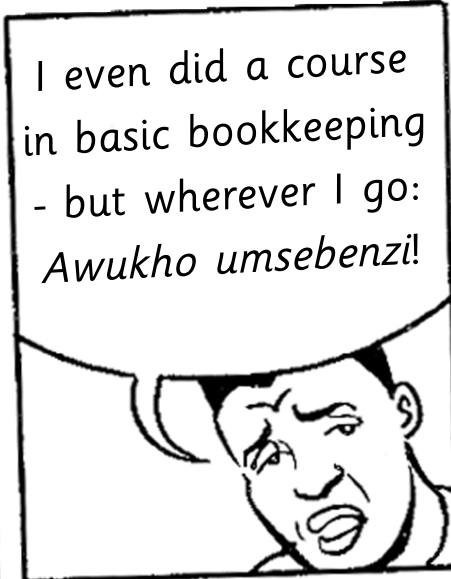


Awukho umsebenzi !



Do Vuyo's words sound familiar to you? Do you know people who have not been able to find a job? Or people who have lost their jobs? Maybe you are in this situation yourself!

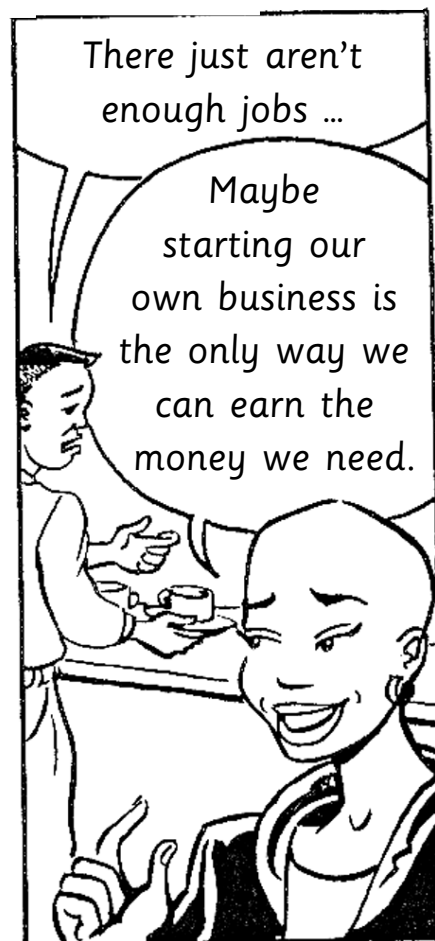
And it's not just money that you get from starting a business of your own! You also get the satisfaction of being in control of your life, of making a contribution to your family, and of seeing yourself learning and growing.

Unemployment is a reality for many people in South Africa. One of the reasons why so many of us have difficulty finding a job is because there are too many people for too few jobs.

When there are so many people competing for the same jobs, employers choose those people with the most experience and the best qualifications. Many people in South Africa have not had the opportunity to get the qualifications and the experience that they need to qualify for a job.

Maybe starting our own business ...

Starting your own business is one way of earning money when there are no formal jobs available.



In South Africa there are tens of thousands of people who have created small businesses that have become successful.

But there are also thousands of others who are struggling to get their businesses going, and who do not know what mistakes they are making.

... but what is Business?

Business is a **process** that takes **resources** and turns them into **products** (or services) that you sell to a **market** for a **profit**.

That's quite a mouthful! Let's explain what each of these words means:

- **What you do** to run a business is called the **business process**.
- **What you need** to run a business are called **resources**.
- **What you sell** are the **products or services** of your business.
- **Who buys** your products or services is your **market**.
- **The extra money** that you make after you have paid for all the things that you need to operate your business is called **profit**.

Profit is the most important word in business. We'll learn more about this later on.



The three different kinds of business

If you **make something** your business is a **manufacturing business**. You take raw materials and make a product from them.

Examples are dress-making, peanut-butter manufacturing, atchar manufacturing, fence-making, brick-making and basket-making.

If you **provide a service** your business is a **service business**. In this business, you do not make anything. Instead, you provide a service which people buy.

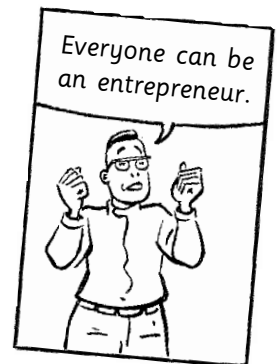


In a service business you are selling a skill, not a product. Examples of service businesses are hair salons, car washes, dry cleaners, shoe repairs, motor repairs, taxis and delivery services.

If you **buy things and sell them again** for a higher price, you have a **trading business**. In this kind of business, a finished product is sold. There are many examples of trading: tuck-shops, spazas, taverns, selling cigarettes, clothes, fruit and vegetables, and furniture.



Now that we have learnt what business is, and what different kinds of businesses there are, let's look at what makes a business person (an entrepreneur).



What makes an entrepreneur?

Entrepreneurs are not born. They are made. Entrepreneurship is a skill that anyone can learn.

YOU can be an entrepreneur!

Starting your own business will bring many challenges - and many rewards. It means hard work and long hours, but it can also be very satisfying and financially rewarding. You can make more money as an entrepreneur than you can as a paid employee, but the risks are also greater.

In a new business, you, the entrepreneur, are the most important person. So, it helps to have some **entrepreneurial characteristics**.

Characteristics of an entrepreneur



• To succeed as an entrepreneur, you must be committed to running your own business. Commitment means that you are willing to put your business before other things. It means that you are willing to risk your own money on the business. It also means hard work!



• A successful entrepreneur must be very motivated and innovative. Being motivated means wanting to be your own boss and have your own business. Being innovative means having new ideas and developing creative ways of running the business.



• Success in business also means that a person must have perseverance. He or she must keep trying and trying. A successful entrepreneur sticks with the business even when the challenges and problems seem great!



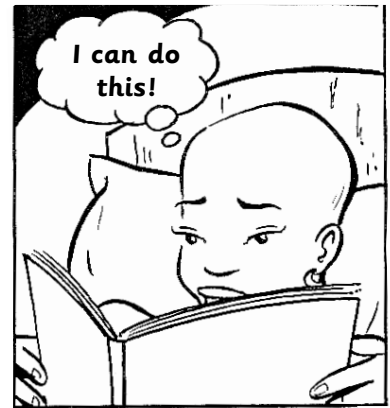
• You must be willing to take risks! You won't succeed if you don't have the courage to take any risks at all. But they must be reasonable - well thought-out - risks.



• As a successful entrepreneur you must have the courage to make important decisions that will affect the business. No one else can make these decisions for you.

So, what do you think?

Have you got what it takes to be an entrepreneur?



Have you got what it takes?

- Do you really want to be your own boss? ✓ ✗
- Do you have a vision of the business you want? ✓ ✗
- Are you creative? Do you have many ideas? ✓ ✗
- Do you have perseverance? (Staying power.) ✓ ✗
- Can you look after money? ✓ ✗
- Can you take risks? ✓ ✗
- Are you a hard worker? ✓ ✗

Why are you thinking of starting your own business?

There are many reasons why people think of starting their own businesses:

- Some people are forced to start their own business because they cannot find a job.
- Some people want to start a business to make more money than they can make by working for a boss.

- Some people want to start a business so that they can do the sort of work that they enjoy.
- Some people start a business of their own when they retire from their job.

What are your reasons for starting your own business?

I am thinking of starting a business of my own because:

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I hope that starting my own business will make my life better in the following ways:

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