



The Journey of Unemployed Adults from Financial Literacy to Entrepreneurship

Financial Literacy Curriculum Content

MODULE 2: Entrepreneurship

Lesson 19: What You Need to Know About Entrepreneurship

What is Entrepreneurship?

Entrepreneurship is the act of finding a good or service that society needs, attempting to produce it, and establishing a business using creativity.



*“Opportunities multiple as they are
seized.”*

(Sun Tzu)



What is Entrepreneurship?

There are **4 basic principles of entrepreneurship**:

- identifying opportunities,
- generating business ideas,
- improving opportunities,
- turning opportunities into a successful venture.

Entrepreneurship requires being aware of the opportunities in the environment and having the ability to generate ideas.

Who Is An Entrepreneur?

An entrepreneur is a person who undertakes an important social responsibility such as the production and sale of products needed by the society.

Entrepreneurs are people who develop business ideas. According to some experts, entrepreneurs are bold people who take risks other people don't dare. In order to realize the business ideas, they have developed, they establish a business by providing the resources and produce the goods and services needed.

Being an entrepreneur does not mean being someone who understands technology very well.

In the new economic order, the world's largest urban transportation initiative called “Uber” does not have any cars, Uber only connects those who own a car and want to earn money and those who want to go a distance.

Likewise, the world's largest accommodation initiative like “Airbnb” brings together those who want to stay with people whose houses are empty or whose houses are partially empty. For this reason, it should be realized that if the right problem is identified and solved well, the opportunities will increase.

What Are the Characteristics of Entrepreneurs?



Entrepreneurs should be socially conscious. Make decisions that benefit the community. He should recognize that each individual has unique characteristics and act accordingly. Must possess effective communication skills. If necessary, he should take additional trainings to better himself. He should be mindful of setting a good example with his conduct.

Elements of Entrepreneurship

- ✓ To produce new goods and services or to increase the quality and quality of known goods and services.

For example; mobile phones were introduced to the communication service for convenience, in the first years they were used only for talking and messaging, but today many new features have been added.

- ✓ Developing and applying new production methods.

Henry Ford, the American automobile industry tycoon, made huge profits as a result of mass production by using the flowing business line and assembly line in the production of cars that were made one by one, and is an important example in the automobile industry.

Elements of Entrepreneurship

- ✓ Reaching new markets (sell where goods or services are not available)
- ✓ Finding new sources of raw materials and similar materials such as oil and petroleum products, iron and steel mines
- ✓ Take risks
- ✓ Entrepreneur takes risks by considering technological change, market structure, legal regulations and competition.
- ✓ Be a pioneer: To start operating with the passion of realizing the unknown in the sector and to be the first.
- ✓ Thinking competitively: The consumer always wants high quality, low price and more options. For this reason, the entrepreneur thinks consumer-oriented and produces appropriate solutions in order to compete.



Why Do They Become Entrepreneurs?

- ✓ The will to act freely.
- ✓ Desire for success.
- ✓ The desire to be respected and appreciated, to have prestige through successful business ownership.
- ✓ Making more income.
- ✓ Desire to realize and develop one's skills and potential.

Why Do They Become Entrepreneurs?

It is important to **observe the opportunities**, to **predict how changing environmental conditions determine the needs of people** and **what kind of needs will arise in the future**.

What resources are needed?

Which of the factors of labor, capital, natural resources and technology are required for the planned work? How much?

Where can it be obtained?

At this stage of the process, the most suitable business structure for the business idea is sought. Consulting an accountant at this stage is the most practical and reliable method.



The factors that affect the success of entrepreneurs

Choose the most beneficial business opportunity.

Entrepreneurs must conduct market research. It should determine the business concept by identifying the current needs of consumers.

Determine the available equity and credit facilities.

Before launching a business, the required amount of investment and working capital should be realistically determined. It is possible that the entrepreneur does not own all of this resource. A portion of the required capital can be obtained through a variety of borrowing options. The entrepreneur makes a decision based on the investment's return rate and interest rate. It is essential that the proportions of equity and debt are brought into balance. At least sixty percent of the capital must come from the company's own resources. Working capital should be sufficient to fund operations for at least six months.



The factors that affect the success of entrepreneurs

Determine the optimal time to begin work.

In crisis situations, the sales of some products may increase, but some businesses may be forced to withdraw from the market. The optimal time to commence work must be determined.

Possess management skills.

Management ability aids in overcoming obstacles and quickly adapting to new circumstances.

Insure against risk.

Insurance against risk entails being prepared for unanticipated events (fire, natural disaster, epidemic, etc.).

Avoid Capital Insufficient and financial problems.

Many businesses are unable to operate due to a lack of capital or must operate with limited capacity. Additionally, the entrepreneur's funds may run out before the investment is completed. Therefore, the entrepreneur who wishes to complete the investment may incur debt with high interest rates and may face future payment difficulties.



The factors that may help you avoid failure

Determine the location of the business accurately.

It is vitally important to choose the proper location for a business. During the selection of the location where the business will operate, it is necessary to conduct exhaustive research and investigations about the location, to examine the establishments of other facilities related to the topic, to utilize a variety of statistics, and even to conduct surveys.

Consider Factors of Competition.

Before establishing the business and determining the market in which it will operate, the entrepreneur must research his competitors and conduct a SWOT analysis to reveal their strengths and weaknesses. In this regard, it should favor markets where it can compete.

Failure is also caused by a lack of commercial and technical knowledge, ineffective time management, imitation, aimlessness, and incompetent workforce employment.



Conclusion

Developing a new business into a structure that is profitable for the entrepreneur and generating income requires unquestionably some time.

It is erroneous to believe that every new business idea will generate substantial profits. According to the entrepreneur, the business concept may be very accurate; however, if sufficient market research is not conducted, the outcome may be disappointing.

If the entrepreneur's resources are limited, he must avoid unnecessary expenses at the outset and keep costs under control.

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