



entrepreneurship

in

COOPERATIVES



BOOK FOUR

Entrepreneurship in COOPERATIVES

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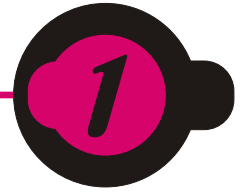
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BOOK FOUR



Outcomes

After this module it will be possible to:

- understand entrepreneurship;
- take responsibility for business ventures;
- make a SWOT-analysis;
- set up goals;
- write a business plan;
- make decisions on finances, staff, administration;
- work on a market strategy;
- set up an image-building plan;
- make a contribution to your community.

Introduction

In this book we will look at what entrepreneurship is. We will look at the entrepreneurial abilities of people, new ways of setting up businesses and, most important of all, how to keep a business going.

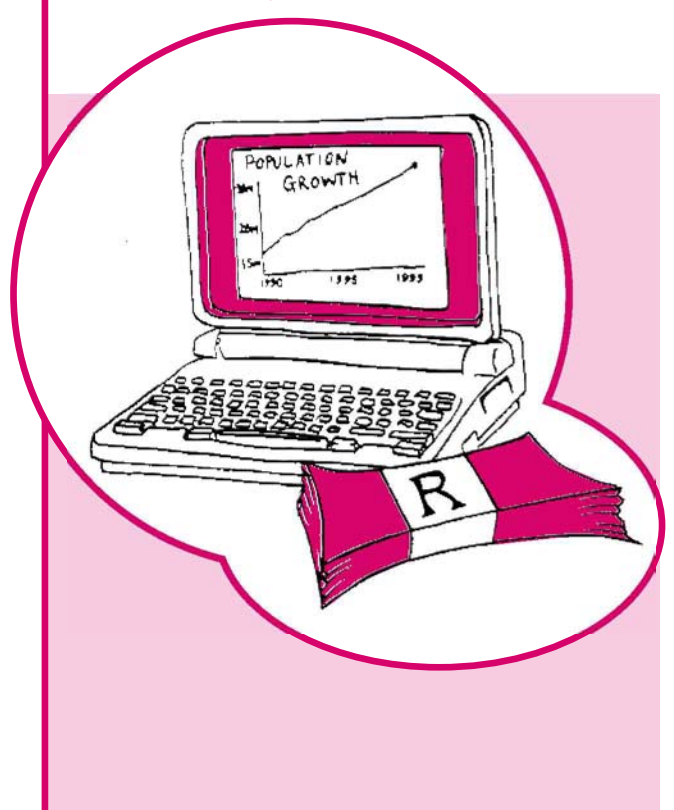
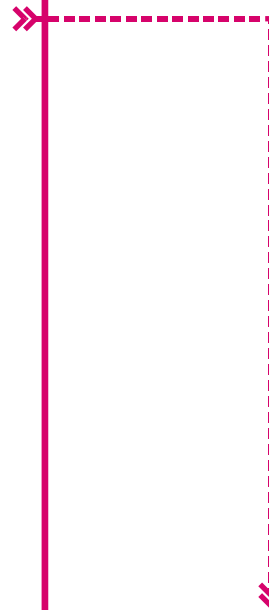
In a modern society it is important for all managers to look at business in a different way. Businesses have to be successful because of:

- the growing population;
- new technology;
- stronger competition;
- the urge for human rights; and
- less resources and money.

(Form small groups for discussion on above-mentioned topics)

In the new century more skills will be needed if a person is to survive economically. In the past we tended to think of successful people as only those who had gained qualifications, power and money. In the past decade leadership and communicative and creative skills have become of the utmost importance. It is also essential in the world and especially in our country to develop an entrepreneurial spirit to exploit new business ventures.

More successful businesses will give more job opportunities and provide in the needs of the people.



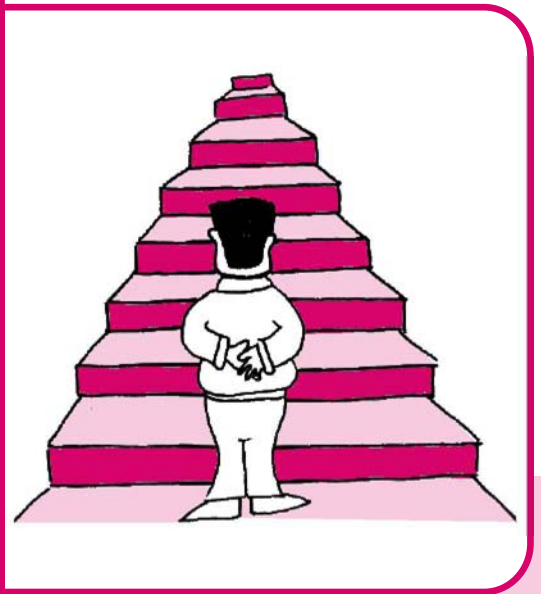
The Changing Face of Business

Through the centuries people have thought differently about security and business. It is like a staircase - each time we start off from a new landing, and approach it differently. Or it is like walking through fields and approaching each season in a different way.

We started off as individuals, families or groups who took responsibility to provide for our own physical needs and consumption. The social and collective ideals and survival were the group's responsibility. There was very little room for individuality and own performance.

Later we established the more rigid organisational structures, where people worked for a salary and sometimes without even knowing for what specific reason.

Some people still prefer to work for the more service-orientated organisations, such as the state, to have security and a fixed income for life. Other people become so fixed in their behavioural patterns that they think they may demand job opportunities.



The Changing Face of Business

In many countries and regions people tend to think that other people or the state are responsible for their welfare.

In a new millenium most of us will be forced to look again at ways in which to provide for ourselves. The new approach is to start small businesses, working together in more loose relationships. The principal aim will be to promote the activities of the various businesses and it will be mainly profit-driven.

In most industries and also in co-operatives the new trend is to ask of managers and different departments to become cost-effective and self-supportive. Suddenly the group has to commit itself to higher productivity and creative inputs to maintain the industry.

For the first time the entrepreneurial spirit is not only for the people who want to take calculated risks, but for all of us.



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What is Entrepreneurship?

Entrepreneurship is to get an idea or see an opportunity and build a business, concept or venture out of nothing. It requires mental energy and lifelong commitment to a long-term ideal. It also includes the motivation of others as a team to commit themselves to the same objectives without forcing or paying them.

It is a creative and positive act to be an entrepreneur with uncountable abilities to change with time, markets and tendencies. The most pressing need for all entrepreneurs is to stay financially liable and to hold on to their dream. Real entrepreneurship is not only about greed, or making money, but about seeking new opportunities and securing visions and ideals.

Most of us think that entrepreneurs are only people who start their own small industries. Nowadays all of us have to strive to become entrepreneurs and to make our businesses profitable.





Characteristics of Entrepreneurs

Intense commitment

Working hard

Perseverance

Integrity

Staying positive

Wanting to win

Competing with themselves

Wanting to adapt to their environment

Seeing failure as a tool for learning

Striving for perfection in business

Taking responsibility for all mistakes

Knowing themselves

Will appreciate other people's skills

Will recognise their losses

Asking the same commitment from others

Choosing business before pleasure

Possessing people's skills



Questionnaire

1. Is it possible to define yourself?
2. Do you see the whole picture?
3. Can you expand or save without knowing why?
4. Can you delegate?
5. Do you read time and place?
6. Do you have a gut feel?
7. Can you forgive yourself and others?
8. Are you willing to make quick decisions?
9. Are you thankful?
10. Will you take responsibility for your actions?
11. Can you formulate messages?
12. Are you willing to learn and then do it your way?

Scoring:

Award yourself 5 marks if you agree with the statement, and 1 mark if you do not agree with the statement at all.

- 50 - 60:** You are an entrepreneur!
30 - 48: You will possibly make it.
24 and less: You need to work for a boss.





Starting off



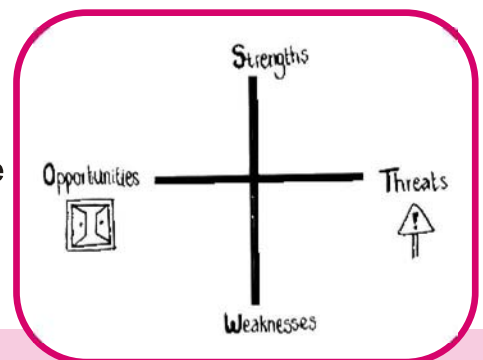
An entrepreneur will not decide in a fixed and rigid time frame. One day he/she will activate a dream after 25 years, or will decide on a venture immediately without seeing the future, or will suddenly grasp an idea in a specific context. It is however a very personal and individual act of commitment. Therefore failure and success are severe experiences.

Swot-analysis



To start off, it is important for entrepreneurs to make a SWOT-analysis of their environment.

- Define the **Strengths** of your cooperative
- Define the **Weaknesses** in your cooperative
- Define the **Opportunities** you can exploit
- Define the **Threats** you can foresee for failure



EXERCISES

Sit down as individuals and write down a SWOT-analysis for your environment and cooperative.

Afterwards work in small groups comparing notes.

Look at general tendencies.

Vision / Mission / Strategic Planning

- A **vision** is to name your ultimate dream in an objective and realistic way.
- **Missions** are the boundaries in which you can operate.
- **Goals** are what you set to achieve.
- **Action plans** have dates of completion.

In a bureaucratic company, strategic planning will be made for a period of four and more years. In an entrepreneurial environment the core will be there, but actions will change accordingly to the environmental changes.

An excellent way of getting things done, is to formulate goals and set dates to achieve your targets.



Business Plan

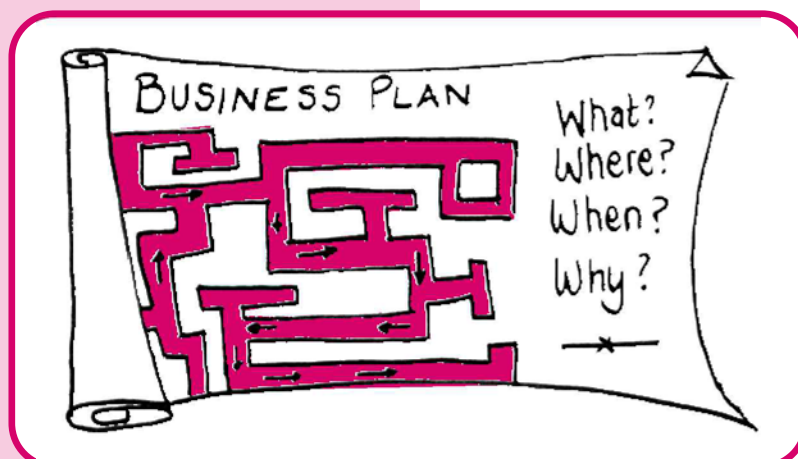
A business plan is like a roadmap to achievement:

•What? •How? •When? •Why?

A business plan is necessary for decision-making, for obtaining financial help and, most of all, for helping you focus on the main issues.

Content

1. A definition of your business
2. A comprehensive description of the procedures of the business
3. Scenarios of your environment, markets and competitors
4. Information resources and research on the need for your activities
5. A SWOT-analysis on your specific business
6. A financial plan including income statements for 6 to 12 months to look at profit and losses, overheads, the growth of the company, equipment, security policies, cash flow and provision for difficult months
7. Information on the number of employees and their job descriptions
8. Logistical information like your venue and stock
9. Product range: What you want to sell and how to generate new products and markets
10. A motivation for the business as a whole



Marketing Plan

In the beginning it is necessary to look at four major elements:

- What are the products?;
- The target groups or specific markets;
- The various prices you are going to charge; and
- How you are going to distribute your products.

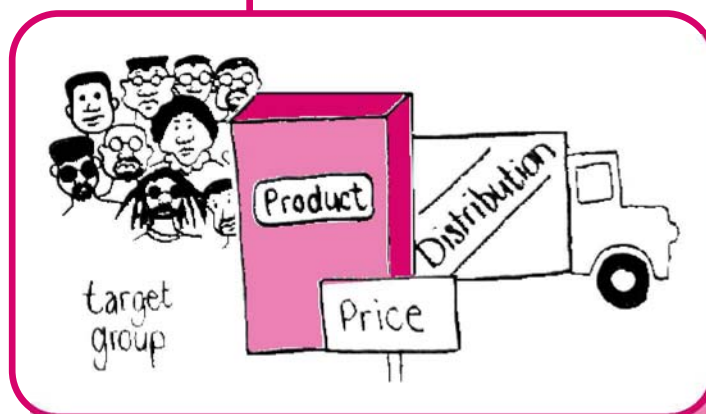


Image-building Plan

It is important to look at the image of your business. In a small cooperative it is extremely important that your clients will respect the company and its services. Your goals have to be formulated in successful verbal and non-verbal messages to reach your clients. You can select from a wide range of cost effective activities to boost your image, like sending your clients a Christmas card. The best way to build an image is to provide good service to your clients.

Personnel Management

The three major resources of an entrepreneurial business are products, markets and people.

To be an entrepreneur is exciting. It is however difficult for some people to work in a more unstructured environment.

In modern society we get a smaller type of entrepreneurial organisation. But as a business grows, it is necessary to employ new staff. It is crucial to realise the importance of the employer and employee to come to terms with organisational and individual aspirations. In a democratic society it is appropriate to set up contracts and securities for both partners.

An entrepreneur has to plan, organise, direct and control his/her employees.



PLANNING

Determine and select employees who will contribute to the ideals of the enterprise. Select people who will contribute and be creative in those fields in which you are not so good. Listen to, and evaluate their ideas open-mindedly.



ORGANISING

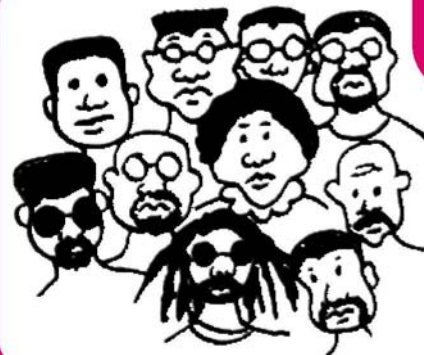
In an entrepreneurial setup it is impossible to manage in a traditional way. However, it is important to create harmony amongst people, to co-ordinate jobs and structures and to help ease physical factors. A flexible and more laid-back style will be more functional in quiet times. Pace the more administrative tasks during these times. In hectic times the staff have to contribute dynamically not only for financial reasons, but for the growth of the company.

DIRECTING

Specific job descriptions, security by empathy and motivation are essential to help them to operate effectively. Listen to their ideas.

CONTROLLING

An entrepreneur's objective is to expand creatively without hierarchic obstacles. It is therefore important that employees must have a passion to achieve the original and expanding goals. Employees have to fit into a changing environment. As it is a money game an entrepreneur can't allow average achievements from employees.



Personnel Management

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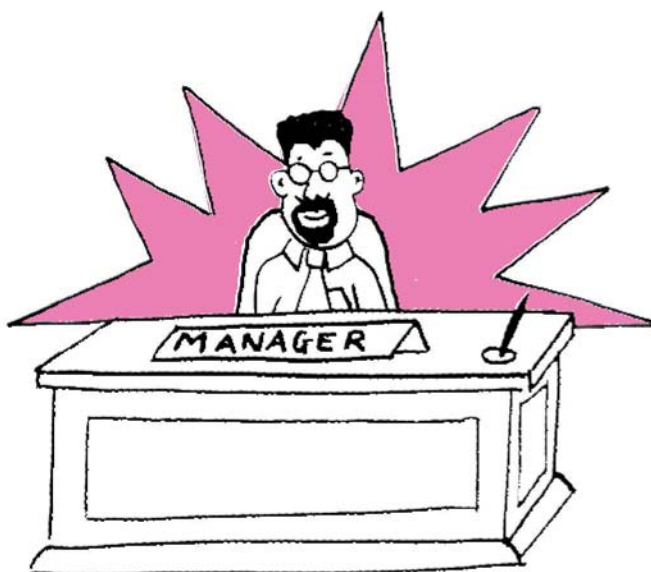
skills for entrepreneurship, management & leadership

We have to strive to gain the skills of an entrepreneur, a manager and a leader.

An entrepreneur will see an opportunity and will persistently try to achieve it. He/she has creativity and the ability to solve problems.

The manager plans, organises, lets the actions and processes flow, and controls the whole organisation.

A leader helps his people to look beyond today and to strive for local, national and international success.

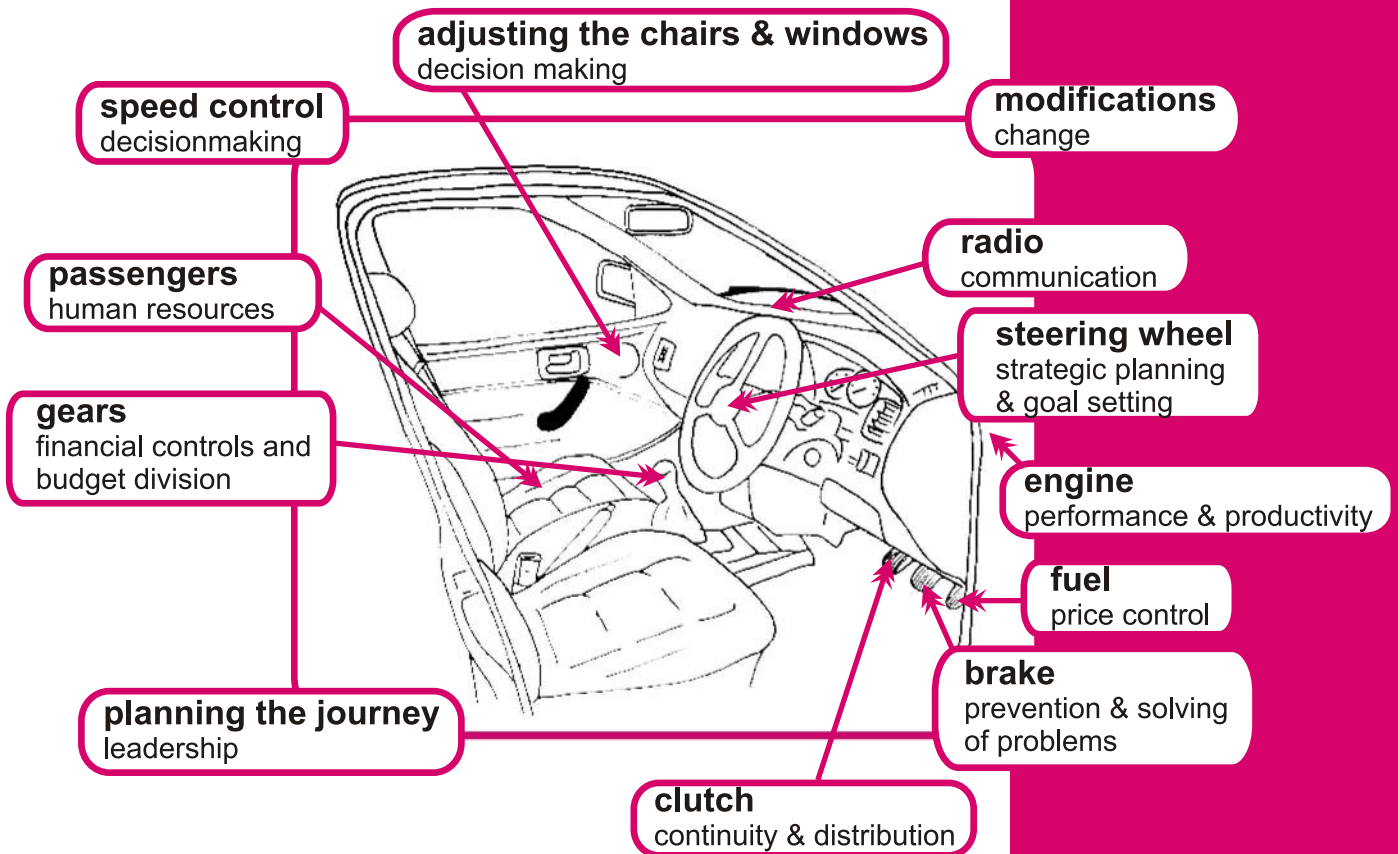


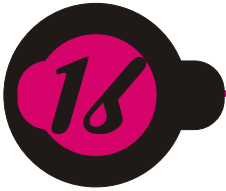
Business Maintenance

We know that entrepreneurship also applies to the manager in his working environment. It is important to note that starting a business and using entrepreneurial techniques is hard work, and takes a lot of planning. Maintaining a successful business is a towering achievement.

A successful business can be compared with the performance of a car. Only with good maintenance and responsible driving can the required performance be expected. Your input determines the quality of maintenance; for you alone are responsible for it.

The car is the cooperative The manager is the driver



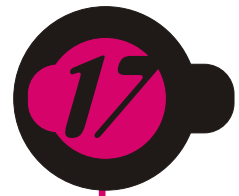


To maintain a business there is a checklist for an entrepreneur:

Do I:

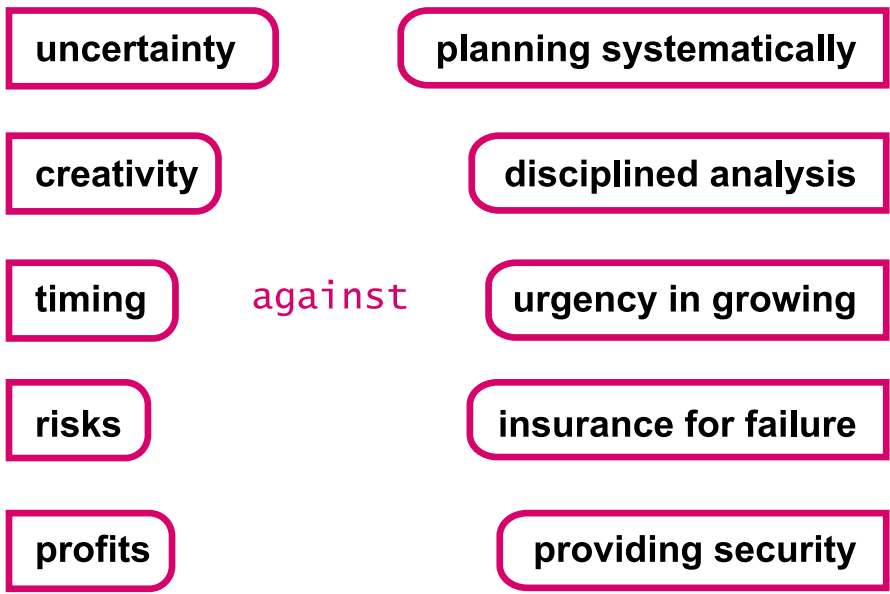
- Plan operationally to achieve goals?
- Plan strategically to achieve goals?
- Organise work load, structure and organisational systems?
- Activate productivity, creativity and motivation?
- Control processes, finances, purchasing and merchandising?
- Decide rationally and creatively for better production?
- Communicate horizontally, vertically, internally and externally?
- Coordinate jobs, purchasing, merchandising, clients and profits?
- Delegate by selecting, organising, follow up the right people?
- Discipline internal and external threats?

Checklist for the entrepreneur



Conclusion

Anyone can be an entrepreneur. The corner stones are passion and vision, creativity to change according to markets and the ability to motivate people. Success will follow if you can play off:



Assessment

1. What do you understand of entrepreneurship?
2. Formulate your vision.
3. Do a SWOT-analysis on your cooperative.
4. Discuss with your group various aspects of a business plan.
5. Think of creative ways to sell your products.
6. How would you motivate your staff?
7. How could you provide financially to stay in business?
8. Write down your own strengths and weaknesses.
9. Set up action plans with set dates for the next 6 months.



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