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# Chapter 4

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## Unit 2 - Enterprise

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### Enterprise

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#### Chapter Notes & past Exam Question

#### Question 4

(2022 - 2011)

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**Past Questions**

2021 Short Question 9 (i)  
2012 Short Question 1

**WHAT IS ENTERPRISE**

**Enterprise** <sup>Def</sup> This is any **attempt to start or do something new**.

It involves the risk of organising all the resources necessary to provide a product or service while exploiting an opportunity for a possible reward called profit.

For Example Personal Enterprise - Enrolling in a night class

**Entrepreneur** <sup>Def</sup> This is a person who spots a gap in the market and takes the initiative and take the personal and financial risk to start an enterprise

**Past Questions**

2021 Short Question 9 (ii)

**WHERE IS ENTERPRISE RELEVANT**

Enterprise can be found in all areas of life. Business is central to living and should be encouraged as much as possible. It can be found in the following areas

1. In Business Without the entrepreneur up take the risk and have the initiative to create new idea there would be no business
2. The Home Many families grow their own vegetable in the garden or use recycle material to renovate their home.
3. In School Transition year students setting up mini companies or forming a band  
Setting up a lunch time club - Chess club
4. In the Community These are known a social enterprise and are set up to provide a service more that make a profit. Any profits made are reinvested into the business to make it better (GAA)
5. In the Public Service The Government (State) ahs taken the initiative to set up important business to provide essential product and services.  
Some of these include -  
ESB Provided electricity  
Failte Ireland To market Ireland as a tourist destination  
IFSC To attract international jobs and banks to Ireland
6. At Work

**Past Questions**

2020 Question 4 C (ii)  
2013 Q4 A (i)  
2010 ABQ A (i)

**INTRAPRENEURS**

<sup>Def</sup> This is when employees in a business use their initiative and act like entrepreneurs. This means an employee engages in entrepreneurial activities and come up with ideas from within the business to help the business save and/or make money. This could be done by making a new product or ways to improve efficiency. They may need freedom and resources to pursue their

ideas

For example A worker google coming up with the idea of Gmail

**Past Questions**  
2020 Question 4 C (ii)  
2013 Q4 A (i)  
2010 ABQ A (ii)

### Benefits of Intrapreneurship to a business

#### 1. Increased Sales

New Products or Markets identified Intrapreneurship results in new products/services being developed. Intrapreneurs are leaders of change, looking for ways to grow and expand the business and to improve the business process or product for the business. New product and market development is very important to ensure the continued viability of any businesses. For example - an employee at Sony came up with the idea for a games console which would become known as 'The Playstation'. This increased Sony sales and profits.

#### 2. Reduced Costs

Improved Efficiencies, increased Productivity and various ideas introduced result in greater productivity in the business. Many new ideas and cost cutting measures introduced result in greater profitability in the business.

For example - An employee at Cadbury's came up with a packaging improvement that reduced costs.

#### 3. Increased Staff Morale and Increased Staff Motivation

More enjoyable workplace and nurturing of in-house talent to promote innovation. Where staff are offered the opportunity to be intrapreneurial they are generally more productive, happier and more fulfilled in their work. There is greater motivation and improved industrial relations which saves time and money in the business. Encouraging intrapreneurship has a positive impact on staff morale and staff motivation at the business.

For Example - An employee in Facebook developed the idea for the 'Like' button.

**Past Questions**  
2015 Short question 10  
2013 Q4 A (ii)

### Ways of Promoting Intreprenurship

- |                          |  |
|--------------------------|--|
| 1. Okay to make mistakes | Create a culture within the organisation where it's okay to make mistakes/think independently. |
| 2. Resource provider     | Make resources available to help employees to pursue their ideas (e.g. finance, time).         |
| 3. Financial rewards     | For effort and creativity. These rewards could involve a mixture                               |

of pay, incentives and benefits.

4. Teamwork encourages creativity among employees as it facilitates brainstorming sessions as part of the product development process

### WHAT ARE THE REWARDS AND RISKS OF BECOMING AN ENTREPRENEUR?

Rewards	Risks
1. Independence	1. Lose money (If business Fails)
2. Satisfaction	2. Stress
3. Income	3. Waste time and effort that could be used somewhere else
4. New Challenges	

**Past Questions**

2018 Q4 C

2014 ABQ A

### Why a person would become an entrepreneur

- |                             |  |
|-----------------------------|--|
| 1. Freedom to do new things | Enterprise is all about taking a risk and doing something new. There is no job description for the entrepreneur.   |
| 2. 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. |
| 3. Be their 'own boss'.     | The entrepreneur leads a self-directed life in the business. They are not answerable to a manager.   |
| 4. See a gap in the market. | The entrepreneur may see a gap in the market and attempt to sell to this gap and make substantial profits.   |
| 5. No choice                | Made redundant and need to change their life course  |

**Past Questions**

2021 Q5 A

2017 Q4 A

2015 ABQ A

2011 Q4 A

### WHAT ARE THE PERSONAL CHARACTERISTICS OF ENTREPRENEURS?

1. Confident and proactive

Entrepreneur believe in themselves and their own abilities. They have a strong can do attitude and are very proactive compare to reactive

**Proactive** <sup>Def</sup> This means doing something before someone else does it or waiting around for someone to do it

**Reactive**      <sup>Def</sup> This is when people wait for someone else to make the first move before you do something

2. Determined and motivated

Once an entrepreneur has set goals for themselves, they will make sacrifices to see the rewards in the future. They will work very hard and put in long hours to make their goals come through. They can be very resilient if things don't go to plan.

3. Innovative and creative

Entrepreneurs are always trying to find a way to do things better and meet the needs of their customers. This means that they are very creative and innovative to identify new ideas for the business. They are always looking for an opportunity.

4. Realistic Risk takers

Entrepreneurs are not reckless and will take calculated risks with them benefiting from the risk. They know their skills and limitations and don't get carried away with optimistic plans. Entrepreneurs takes personal and financial risk. Entrepreneurs risk investing their time and their money. David and Maria have to develop the skill of being realistic risks takers. e.g. They have to decide when to expand/when to borrow finance

5. Decisive but flexible

In business an entrepreneur will have to make a lot of decision. It is important that these decisions are made fast, else they will be left behind and lose out on the opportunity. Plans might need to be change, so they also need to be flexible.

## WHAT ARE THE SKILLS OF ENTREPRENEURS

1. Learn to identify opportunities

Entrepreneurs need to learn how to identify new opportunities. This can be done by learning hoe to be future focused and try to anticipate change and the opportunities that come with it

### 2. Learn to set goals and Plan

Entrepreneurs need to create a vision of how they will satisfy the needs of their customers and to make this a reality. To turn this vision into a reality it needs a plan. Entrepreneur who succeed can break this plan into short term goals and manageable steps

### 3. Learn effective time management

Successful entrepreneurs need to learn how to be efficient with time management. This is usually done by prioritise work and completing important task first and leaving or delegating the less important tasks. Successful entrepreneur knows when to delegate and they work smarter not harder

### 4. Learn to manage Stress

Entrepreneurs are well able to stay calm and not get stressed they are very self-controlled. They can meet the challenges of deadlines by have good plans and effective time management skills to help them to get the job done

### 5. Learn people skills

The Entrepreneur must be able to trust a build good relationship with stakeholder. This will help them to get thing done. They need to acquire goo social, communication and listening skills. This well help them to learn where they are going wrong and how to change and adapted

## **WHY IS ENTERPRISE IMPORTANT**

- |                            |  |
|----------------------------|--|
| 1. <i>For Entrepreneur</i> | This will help with the entrepreneur personal satisfaction and achievement   |
| 2. <i>For Business</i>     | This helps the business to make money and be successful.<br>Intrareneurship is a huge initiative to motivate and encourage employees   |
| 3. <i>For Society</i>      | Jobs are created which means unemployment is reduced and there is less pressure on the government. Local and national self-confidence is promoted as there is more of a can-do attitude. Creativity is encouraged and there is always new and improved goods and service for consumers |

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# Chapter 4

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## Unit 2 - Enterprise

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### Enterprise

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#### Higher Level

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#### Past Exam Question (Higher)

(for Resolving Conflict in the Market Place

Question 4)

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**Short Questions****2021 - Short Question Q 9**

(i) Distinguish between enterprise and management


(ii) Suggest an example of enterprise in action in a school


**2015 - Short Question - Q10**

Outline two methods of promoting intrapreneurship

(i)
(ii)

**2012 - Short Questions - Q1**

Illustrate your understanding of the term enterprise




**Long Question****2021 - Question 4**

Read the information supplied and answer the questions which follow.

Ballymakenny Farm Heritage & Speciality Potatoes Maria Flynn and her husband David are potato farmers. Maria saw a niche in the market to start growing their own speciality Purple Violetta Potatoes. Ballymakenny Farm now supply their speciality potatoes to leading chefs and restaurants.

- (A) Discuss the entrepreneurial skills and characteristics you would associate with Entrepreneurs like Maria and David. (20)

**2021 - Question 4**

- (C) (i) Explain, using an example, the term intrapreneurship.  
(ii) Illustrate two benefits of intrapreneurship for a business. (20)

**2018 - Question 4**

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

**2017 - Question 4**

Read the information supplied and answer the question which follows.

Stripe, the fast-growing online payments business, was established by Limerick brothers Patrick and John Collison when they were aged just 22 and 19. Stripe enables websites to accept credit and debit card payments. It employs over 600 people globally and is worth more than \$9bn.

Source: adapted from [www.siliconrepublic.com](http://www.siliconrepublic.com) and The Irish Times

- (A) Outline the characteristics/skills that you would associate with entrepreneurs (20)

**2013 - Question 4**

Read the information supplied and answer the questions which follow.

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.

- (A) (i) Explain the term 'intrapreneurship'.  
(ii) Outline methods of promoting intrapreneurship in EducaPrint Ltd. (20)

**2011 - Question 4**

Read the information supplied and answer the question which follows.

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.

- (A) Discuss four entrepreneurial skills that Colm will require in developing this local community initiative. (20)