

1.1 The Role of Business Enterprise and Entrepreneurship

What is a Business?

Businesses are organisations that provide **goods or services** in exchange for payment.
Businesses:

Spot an opportunity
i.e. find a gap in the market

Develop ideas
i.e. new products or products

Satisfy the needs of customers



The Risk of Enterprise

- New business ideas run the **risk of failure** and entrepreneurs run the risk of losing money that they have invested into their ideas
- Entrepreneurs may have to **work very long hours**
- Running your own business can be very **stressful**



What is an Entrepreneur?

- Entrepreneurs are people who **take the risk** to start and run a business enterprise.
- Entrepreneurs typically have these **characteristics**:

Risk Taking -
they are more likely to take risks to achieve their goals

Creativity -
they are good at coming up with ideas

Determination -
they are unlikely to give up on something no matter how difficult it is

Confidence -
they are confident in their actions and in what they say



The Rewards of Enterprise

- **Financial rewards** come from any profits made by a business and also the fact that the business will be worth money as an asset if it performs well
- Business owners have **independence** as they will be working for themselves
- Business owners may have **pride** in the fact that they have built up a successful business from their own idea.



Key Words

Entrepreneur

A person who takes the risk of starting and running a business enterprise

Spotting an opportunity

Is the ability to see the need for a particular product or service that the customers need

Enterprising characteristics

Are the features of an entrepreneur, which include being determined, creative, confident, and having ability to take risks.

Risks

The possible losses that an entrepreneur may suffer from starting up and running a business.

Rewards

The benefits an entrepreneur receives from starting up and running a business.

Extended Reading



Video Links



Exam Style Question



Quizlet



Quizz - test yourself!

