

ENCYCLOPEDIA OF
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MANAGEMENT

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ENTREPRENEURIAL TRAINING

New venture management is largely an entrepreneurial activity. Its creation and sustenance greatly depend on entrepreneurial training, which is the act of exposing individuals to a learning experience that promotes knowledge and skills for enhancing entrepreneurial capabilities. The training serves as a catalyst that drives entrepreneurship. A well-trained entrepreneur is able to thrive when there are obstacles in new venture development. Effective entrepreneurial training prepares people for a lifetime career in entrepreneurship. In both formal educational institutions and informal training centers, the emphasis on entrepreneurial training is gaining increased attention as a result of emerging global challenges that have shrunk employment and limited economic opportunities. The desire to minimize the social consequences, which has assumed a global dimension, explains the emphasis placed on entrepreneurial training by individuals, institutions, governments, and nongovernmental organizations. As a result, entrepreneurship has received much attention as a primary goal in most educational curricula in the developing, emerging, and developed economies of Africa, Asia, and the West.

Entrepreneurial training comes in different forms. Apart from the well-known and popular institutional methods of training in entrepreneurial centers of colleges and allied organizations, there is the mentoring approach that is common in sub-Saharan Africa, especially Nigeria. This apprenticeship type of entrepreneurial training occurs in the informal sector, where an entrepreneur recruits younger individuals to learn the art of entrepreneurship over a period of

time, usually between two and five years. After the training, the apprentice sets up a new venture in the same line as the mentor's. This practice has survived and thrived over time across Africa, where most entrepreneurs in artisanship and commerce (buying and selling of goods and commodities, including jewelry, building materials, motor vehicle parts, educational materials, and oil and gas products) have gone through the apprenticeship entrepreneurial training program. Irrespective of the form of entrepreneurial training, there are many skill and knowledge areas that are usually covered. Some of the major ones are psychological and technical skills.

As a planned behavior, entrepreneurship involves psychological processes of innovation, creativity, and risk taking. Whereas innovation concerns the identification and adoption of new venture ideas, creativity occurs when there is a decision to pursue an idea in order to achieve the best possible outcome. Risk taking then follows when the individual embarks on the actual behavior of translating the idea into entrepreneurial activity. All of these are enabled by self-motivation and resilience—the inner drive to sustain effort and continue despite barriers. Therefore, training in the psychological skills of entrepreneurship is aimed at behavioral and attitudinal development to shape intentions and personality factors that enhance individuals' involvement in the risks and successes of entrepreneurship. When the human skills element has been adequately addressed through entrepreneurial training, it is possible to succeed in starting and managing new ventures.

Another area that is covered in entrepreneurial training concerns technical skills. These refer to the capacity to plan and deploy human, material, and financial resources for optimal utilization and productive outcomes. Apart from teaching budding entrepreneurs to recognize opportunities for cultivation, a well-tailored entrepreneurial training program enables potential entrepreneurs to deploy critical resources for maximum output. The ability to match input with maximum output may not be possible without technical skills. Potential entrepreneurs must therefore learn to develop adequate technical skills to place employees and prioritize the allocation of materials and financial resources. Thus, entrepreneurial training programs must develop both psychological and technical skills in sufficient degrees to allow new entrepreneurs and their new ventures to succeed.

Myles Mace first delivered an entrepreneurship lecture at Harvard University in 1947, according to Jerome Katz. Ever since, there has been increased attention by educational and allied institutions to prepare students and interested participants for careers in entrepreneurship as a model of economic empowerment and development. Educational curricula in the liberal arts, sciences, and technology have incorporated an orientation toward new venture creation, from setting up not-for-profit organizations to establishing small-, medium-, and large-scale enterprises. From the highly rated Harvard University to less celebrated African universities and training centers, the current global trend in promoting and developing new ventures through entrepreneurial training has reached a level of emphasis never previously witnessed.

Entrepreneurial training is important for anyone who is considering self-employment, either part-time or full-time, as well as others who are already in new venture management. This training makes it possible to handle challenges and optimize the resulting benefits. Although people have been known to engage in new venture creation without prior entrepreneurial training, such training offers the strategic and tactical platform for the effective application of innovation and creativity. As an economic exercise, creating and managing new ventures require that entrepreneurs are well equipped with sufficient knowledge and skills to effectively manage the associated challenges. For instance, the socioeconomic and political dynamics that continually shape opportunities and resource distribution have made it important to engage individuals with entrepreneurial training. Hence, this training is designed for people of all classes and strata, including men and women of all racial, religious, and other socially defined backgrounds.

In many African countries, entrepreneurial training has become a major component of preretirement planning programs. It provides an avenue to prepare participants to shift careers or to transition into retirement as one career phase ends and a new venture begins. The purpose is to empower people to maintain their economic relevance after paid employment and also help them to overcome the boredom and feelings of inadequacy that may accompany retirement, especially for those who enjoy good health in retirement. Many beneficiaries can combine the experience from this training with those experiences

already acquired in previous careers (such as a certain level of risk taking, working with others, decision making, and financial management) to engage in successful new venture management.

In a bid to manage new ventures effectively, several issues are involved in the cost-benefit analysis. These are also the focus of entrepreneurial training. Programs are designed to cover wide areas that are considered appropriate and suitable for specific lines of business activity. They are undertaken to strengthen entrepreneurial capacity and make up for the possible shortfall in traits that bring about success in new venture management. There are no specific single training programs that serve as a cure-all for all the barriers and bottlenecks that may accompany entrepreneurship. For instance, Douglas Gray in 1995 reported that all the characteristics required to create and sustain new ventures are rarely found in a single entrepreneur. In many training curricula, however, participants are presented with a variety of topics that are carefully designed to address different aspects of new venture management. Through training, participants are encouraged to consider the array of benefits as opposed to the challenges of creating new ventures. Additionally, entrepreneurial training can provide the drive and incentive, in the form of empowerment, to overcome the fear of failure, fear of criticism, and fear of success usually experienced by aspiring creators of new ventures.

Entrepreneurial training addresses both situational and dispositional issues, which play key roles in new venture management. Situational issues are mainly determined by socioeconomic and political factors in the community and environment. Dispositional issues are personal to the individual aspiring entrepreneur. Through training, potential entrepreneurs are able to appreciate the impact of both issues on entrepreneurship and new venture outcomes. For instance, the availability of start-up capital is rarely sufficient to drive and sustain entrepreneurial intentions and behaviors. Experience from disbursement of microcredit financing shows that some beneficiaries have a tendency to divert such funds to more compelling and predictable economic activities rather than invest them in new ventures, whose survival and development are uncertain. This is one reason that personality and attitudes toward new venture management are deserving of attention: Although such personal issues seldom

enjoy coverage in popular training programs and centers, entrepreneurial training needs to address them in order to prepare individuals for new venture management.

Never in history has entrepreneurial training been more popular among individuals, communities, and nations. The training available in educational institutions and vocational centers employs diverse criteria for evaluating program effectiveness. Successful venturing depends, in large part, on the quality of training available to the entrepreneur. As a continuous learning process, entrepreneurial training serves as a tool for dealing with the many challenges new ventures face, including survival and sustainability. Many ventures fail before they are established, casualties of the many challenges that can overwhelm the entrepreneur. The global economy is expected to witness phenomenal growth in new venture creation, and approaches to teaching entrepreneurship will likewise continue to grow in both diversity and popularity.

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See also Entrepreneurial Support Systems;

Entrepreneurship Education: Graduate Programs;
Entrepreneurship Education: High School;
Entrepreneurship Education: Undergraduate
Programs; Entrepreneurship Pedagogy; Leadership;
Leadership: Training and Development; Leadership:
Transformational; Learning; Learning Theory; Master
of Business Administration; Networks; Social
Networks

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ENTREPRENEURS IN CONSUMER PRODUCTS

The consumer products entrepreneur speculates about consumer demand for a particular good in the future. A consumer product can be any tangible good

for sale, available for private use. Once the product is identified, methods to produce the product are set into motion. Utilizing packaging, marketing, and consumer expectations, the entrepreneur steers the growth, stability, and profitability of the product.

If necessary, the entrepreneur may identify a capital investor who is willing to provide funds used in exchange for some of the profits after product launch. Banking on consumer demands and ensuing success, such capital investors expect to be repaid. If anticipated demand and revenue are not met, however, both the entrepreneur and capital investors suffer a loss, and the entrepreneur experiences product failure.

From laptops to iPads, digital cameras to smart phones, wedding gowns to wrap dresses, the entrepreneur thrives in the world of consumer products. The entrepreneur in consumer products looks back to a legacy of success stories of profitable products born from both necessity and pure genius. For example, a homogenous product such as milk, under the entrepreneur's management, can be turned into a "hot" new consumer product with the addition of value that allows the product to be labeled "vitamin-enriched," "flavored milk," or "milk drink." An upgrade to product packaging, such as the juice box, can render the product a competitor of similar products in bulkier or less convenient containers; launched in 1986, this particular innovation—a portable, convenient, and aseptic box—created consumer demand that compelled 20 percent of the U.S. juice market.

Diverse cultural markets require breakthrough ideas and innovation. The entrepreneur in consumer products understands that his or her product must meet the specific needs of a diverse consumer population without ignoring a broad-spectrum customer. A small idea of providing consumable foods to the rich Spanish culture of Lower Manhattan stands as an example of entrepreneurial success in consumer goods. Starting in 1936 as the owner of a small store distributing Spanish foods, Don Prudencio Unanue, founder of Goya Foods, launched what would grow into a worldwide distribution of Hispanic food products.

As Goya's commercial presence reached a national audience, demand for its products grew, and supermarket shelves from Manhattan to Honolulu began stocking Goya products for retail sale. In 2010, Goya Foods was distributing

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