

Entrepreneurship Competency Development

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Entrepreneurship Competency

Entrepreneurial competencies are the underlying characteristics of an entrepreneur which result in superior entrepreneurial performance. It includes key characteristics that should be possessed by an individual in order to effectively run a new business enterprise. They are seen as important to business growth and success.

An entrepreneur is expected to cooperate with these environmental forces which necessitate him to be greatly competent in diverse dimensions like intellectual, attitudinal, behavioral, technological, and administrative aspects.

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Entrepreneurial competency is a set of skills and behaviour needed to create, develop, manage, and grow a business venture. It also includes the ability to handle the risks that come with running a business. Without a doubt, business owners and startup founders must possess most of the entrepreneur competencies to succeed.

Reasons / Necessity of Entrepreneurship Competency Development

Reasons/Necessity of ECD of Entrepreneurial Competency Development Entrepreneurial competency development holds a major significance in entrepreneurship and enterprise development. The key aspects that explain the necessity of entrepreneurial competency development is discussed as follows:

- **To develop entrepreneurs:** Entrepreneurs are not born. They are made said by behaviourist scientist. Through entrepreneurship competencies, development program, competencies regarding knowledge, skill, attitude and motive can be developed which strengthen self-confidence of the entrepreneurs.
- **Change infusion:** Entrepreneurs play a crucial role in the development process of the country. Entrepreneurship is the cause, and economic development is the effect. This indicates the need to develop entrepreneurship both quantitatively and qualitatively. It is the active and energetic entrepreneurs who help in full utilization of the resources like labour, capital, technology and natural resources available in the country. Economic development is not a thing that occurs automatically; someone has to work as a catalyst; entrepreneurs' shoulders have such responsibility. Entrepreneurs are the catalyst for a change. They can be developed through the entrepreneurship competencies development program. They infuse change through innovation, new materials, new products and new technologies.

- **Provide managerial know-how:** Through entrepreneurship competencies development programs, managerial skills can be developed in entrepreneurs. As entrepreneurs need managerial skills to make decisions and solve problems, this need can be fulfilled through competencies development program. The program puts emphasis on operational rather than academic training. It designs flexible training programs to meet the specific needs of participants. It directly bases its training to the setting up of enterprise and tailors its techniques and strategies to the socio-economic and cultural context. Training is kept practical through the participation of established entrepreneurs, businesspeople and others with the field experience through which entrepreneurs can learn a lot of managerial skill, which s/he can use in her/his own business.
- **Develop achievement motivation:** Through entrepreneurship competencies development programs, motivation can be developed in the potential entrepreneur. Suitable education and training programs help to mold up the motivation achieve superior performance. Though motivation only is not sufficient to achieve superior performance, it assists to achieve superior performance, because without motivation nothing will be done.
- **Information:** Through entrepreneurial competency development programs, information needed to entrepreneurs can be circulated, as it is a storehouse of information about various matters to entrepreneurship. Entrepreneurs need information, related to the source of finance, market, opportunities, incentives and facilities and risks. In general, to develop entrepreneurs in the country, the role entrepreneurship development programs cannot be underestimated. It is the program through which competencies of the entrepreneurs can be developed leading them to superior entrepreneurial performance. of

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Competencies Essential for Being a Successful Entrepreneur

The key competencies essential for being a successful entrepreneur are given as follows:

- **Strategic Competency:** Individuals must have the ability to develop the strategy that takes their entrepreneurial venture forward. They must be competent enough to develop a vision, mission, standard, objectives, etc. about the entrepreneurial venture.
- **Commitment Competency:** Individuals willing to be an entrepreneur must have a high commitment towards what they do and believe. It is an important competency to have as it sticks the individual with their work in testing times.
- **Conceptual Competency:** The individual must have an in-depth conceptual knowledge about the subject matter. S/he must have the ability to estimate risk must think analytically and should have an effective decision-making ability.
- **Opportunity Competency:** An individual willing to be an entrepreneur must have the ability to analyze the external environment so that s/he can recognize and capture the opportunity with minimization of threats.
- **Organizing Competency:** Organization of resources so as to maximize the output has always been the key essence of management. In this regard, an individual willing to be an entrepreneur must have the ability to direct, lead, delegate, motivate, etc. the human resource. S/he must be efficient in managing the available resource.
- **Relationship Competency:** Relationship competency is associated with developing relationship that fosters the entrepreneurial venture. For this, the individual must have effective interpersonal and communication skills along with the ability to influence and convince others.
- **Social Responsibility Competency:** The individual must have high social responsibility competency if s/he aspires to be a successful entrepreneur. In this regard, s/he must put the necessities and requirements of customers, employees and the general public in high regard.

Entrepreneurship Company Development Process

The general process of entrepreneurial competency development goes through following steps explained as follows:

- **Competency Identification and Recognition:** It is the first step of entrepreneurial competency development process. In this step, the set of competencies essential to be a successful entrepreneur is identified and recognized. The competency could be anything related to knowledge, skill, attitude, motive, etc.
- **Competency Assessment:** Once the set of competencies essential to be an entrepreneur are identified, the next step involves the assessment of current competencies. One must also identify how often the individual exhibits the competency in his/her behaviour in real life.
- **Competency Mapping:** It is the step where the current competencies are compared with desired competencies. Competency mapping allows an assessment of gap if any between actual and desired competencies. Many methods can be adopted for competency mapping. One of the most widely used methods is competency mapping matrix, illustrated as follows:

Inability to perform	Ability to perform	
B Passenger [Develop ability by training]	A Star/Idea [Motivate]	willingness to perform
D Deadwood [Offload or bear the burden]	C May run [Involve, counsel and motivate]	Unwillingness to perform

Development Intervention: It is the last step of entrepreneurial competency development process. After competency mapping, one is aware of the strength and weakness of an individual in entrepreneurial perspective. Based on that, an intro spectrum for sustaining the competencies or developing a new one is done. Development intervention, thus, is the step that enables an individual to nurture the desired competency thereby filling the gap.

Overview of Entrepreneurial Competency Development Program

ECDPs are essential for developing entrepreneurial competencies that assist the journey of an individual turning into an entrepreneur. These competencies help the entrepreneur to perform the task effectively and efficiently. ECDPs consist of six steps explained as follows:

General Introduction to Entrepreneurship

It is the first step of ECDPs. In this step, individuals are well acquainted with the general concept and background of entrepreneurship. In this step, individuals are provided knowledge on topic such as:

- Factors affecting entrepreneurship
- Role of entrepreneurship for individual, social and national development
- Entrepreneurial competency
- Infrastructure and facilities available
- Regulations guiding entrepreneurship

Motivating Training

After individuals are well acquainted with a general introduction to entrepreneurship, the next step involves motivating training. In this step, efforts are put to develop the high need for achievement among the participants. Attempts are also put to develop a positive attitude, confidence. The second step is usually conducted by successful entrepreneurs and motivational speakers who have the ability to influence the individuals to give their two hundred percent.

Management Skill

An entrepreneur must require a set of management skills in functional areas to be successful. S/he must be equally competent in areas like marketing, finance, accounting, manufacturing, human resources, etc. In the third step of entrepreneurial competency development program, management skills of participants are nurtured. This step thus aims at enhancement of management skill of the participants.

Support System and Procedures

Every form of entrepreneurship be it small or large requires a know how of support system and procedures. One must know the procedure of establishing and entrepreneurial venture and obtaining support from many government and non-government institutions assisting entrepreneurs. In this reference, participants are exposed to the support system and procedures that foster entrepreneurship.

Feasibility Study

It is the fifth step of entrepreneurial competency development program whereby participants are taught the techniques and skills essential to conducting a feasibility study for a particular entrepreneurial venture. It helps the participant to assess the viability of the new venture regarding resource acquisition and utilization.

Industrial Visit

It is the last step of the development program. In this step, participants are taken to the industrial visit. It is an attempt to make them well acquainted with the real life situation of entrepreneurial ventures. This exposure provides the participants the ability to understand the thought process, behaviour and personality to be a successful entrepreneur.

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Different Phases of Entrepreneurial Competency Development Program (ECDPs)

An ECDPS consist of three primary phases explained as follows:

- Pre-training phase
- Training phase
- Post-training phase

Pre-training Phase

It is the first phase of ECDP, which includes the preparation activities required to launch the training program. This phase includes the following:

- Selection of participant
- The arrangement of infrastructure essential for conducting training
- The tie-up of guest faculty for the training purposes.
- Arrangement for the inauguration of the program.
- Selection of necessary, tools, techniques to select the suitable probable trainee
- Formation of selection committee for selecting trainees.
- Arrangement for publicity media and campaigning for the program.
- Development of the application form.
- Finalization of training program
- Finalization of syllabus
- Pre-potential survey of opportunities available in the given environmental conditions.

Training Phase

Training phase is often referred as the entrepreneurship competencies development delivery phase. The main objective of this phase is to bring desirable change in the behaviour of the trainee. Here, desirable change is searched in the level of trainee's motivation.

In this phase, practical and hands-on experience programs are emphasized. The training process is central around a project exercise. The program has been designed in such a way that it helps to motivate participants and guide them in the selection of appropriate opportunities and develop their management skill. The program is focused on intensifying the desire to achieve, to develop the ability of defining goals realistically and increase the self-awareness and confidence. To achieve these objectives, different sorts of behavioural and psychological techniques will be followed in this phase.

Likewise, the participants are encouraged to conduct the market survey and to prepare the project plan. They are given the exposure to the thought process and the field experience so that they are enabled to make a rational choice of business product lines, market mix and related aspects of the project.

The main objective of the training phase is to develop the level of confidence in the participants so that they can work with high motivation and carry the entrepreneurial activities.

After the training, the following changes in the behaviour of the participants are searched.

- Is the participant motivated to start his own business or not?
- Will the participant behave like an entrepreneur or not?
- Whether the trainee possesses the knowledge of technology and other resources which are required to essential for entrepreneurship development or not.
- Does the trainee possess the required skill in selecting the viable project or not.

Post-training Phase [Follow up]

It is the post entrepreneurship development phase. The ultimate objective of the entrepreneurship development program is to prepare the enterprises. In this regard, this phase involves assessment to judge how far the objectives of the program have been achieved. In this phase, the following aspects are observed.

- Review the pre-training work.
- Review the process of training program and
- Review the past training approach.

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Bases of evaluating of ECDPs

The primary base essential in the evaluation of ECDPs are discussed below:

Reaction

It is the first base of evaluating ECDPs. This base measures how your participants reacted to the program. It is important to measure reactions as it helps you to understand how well the training was received by your participants. Every program has to be felt as a valuable experience by participants. Moreover, as an organizer you want the participants to feel good about the instructor, the topic, the learning materials, presentation, and venue. In this regard, the reaction shown by participants is an important base in evaluating ECDPs.

Learning

This base measures what the participants have learned. Moreover, how much has their knowledge increased as a result of ECDPs. Every time an ECDPS is planned, it is started with a list of specific learning objectives. It is important to identify if these learning objectives are met or not. Knowing what your participants are learning and what they are not will help you improve future entrepreneurial competency development programs.

Behaviour

At this level, you evaluate how far your participants have changed their behaviour based on the development program they attended. It is important to realize that only when the conditions are favourable, behaviour changes. Therefore, it is wrong to assume that just because the behaviour has not changed, it does not mean that participants have not learned anything.

Results

As per this base, final results of ECDPs are analyzed. It includes outcomes that you or your organization has determined to be good for you I your organization.

Different institutions and agencies operating ECDPs

The different institutions and agencies operating entrepreneurial competency development programs in Nepal are discussed under two sub-heads, namely:

- **Government**
- **Non-government**

Government

The important government-related institutions and agencies operating ECDPs are as follows:

Department of Cottage and Small Industries [DCSI]: Department of Cottage and Small Industries can be considered as the pioneer institution in Nepal, imparting skill training since 1939. It has been operated through 27 district level offices. This institution has focused economically disadvantaged persons, unemployed and underemployed person and persons using traditional technology for income generating activities as the target group to provide training. The institution provides training on 83 skills. The duration of training ranges from 7 days to 30 days for short-term and three months to 1 year for long-term.

Cottage and Small Industry Department [CSID]: Cottage and Small Industry Department has been imparting training on paper, cloth, readymade garments, leather, etc. in the central level. This department at present conducts different types of income generating, skill oriented and employment promoting training for the deprived and unemployed persons. It has also been conducting entrepreneurship development program on a limited scale. Likewise, it has been providing consultancy service for the expansion of industry and establishment of new industries.

Industrial Enterprise Development Institute [IEDI]: This institution was initially established as Small Business Promotion Project [SBPP] in 1982, but later in 1996 it was converted into Industrial Enterprise Development Institute [IEDI] as an autonomous organization. This institute mainly focuses on the following activities.

- New business creation training
- Business management training
- Research and consultancy service
- Business information services

Department of Labour [DOL]: Department of Labour, a government agency provides skill training in industry and non-agricultural self-employment. It has operated two vocational training centres in Kathmandu and Biratnagar and about down labour supply centres in different parts of the country to provide training. DOL trains about 10,000 persons annually in various skills. DOL training is employment oriented. However, non-agricultural self employment training has had some impact on the development of entrepreneurship.

Other Institutions: Other government institutions providing entrepreneurship development training are respectively Nepal Industrial Development Corporation [NIDC], National Productivity and Economic Development Centre [NPEDC], Nepal Academy of Tourism and Hotel Management [NATHM] and Micro Enterprise Development Programme [MEDEP]. These institutions are involved in skill enhancement, preparation of business plan, market linkage, micro credit support and service support.

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Non- government

The non-government institutions carrying out ECD programs are explained as follows:

Trade Associations: The important trade associations all over the country are Federation of Nepalese Chambers of Commerce and Industry [FNCCI], Pokhara Chambers of Commerce [PCC], Federation of Cottage and Small Industries [FCSI], etc. are engaged in ECD programs in a humble way. FNCCI has a specialized cottage and small industry committee and women entrepreneur development committee. It in collaboration with USAID has established Agro Enterprise Centre to promote agro-industries. Besides, it in collaboration Friedrich-Nauman Foundation [FNF] of Germany has launched small and medium enterprise development project to support, promote and facilitate the development of the small and medium enterprise. Furthermore, it provides skill training and conducts workshops.

Federation of Business and Professional Women Nepal [FBPWN]: It is a non-government organization (NGO) established by women with the international network. This NGO provides different skill training especially to women and encourages women to initiate their venture. The NGO provides both moral and financial support to women in launching a new venture. [100] 2ooded to Inothings This NGO especially focus on the deprived class women. Besides, the CENGO provides different marketing and secretarial training too.

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Women Entrepreneurs Association in Nepal [WEAN]: WEAN is a non government organization. It was established in 1987 by the initiative of Nepalese women entrepreneurs. The primary objective of WEAN is to promote entrepreneurship development among women. It provides training, marketing assistance, credit networking and extension services to women entrepreneurs. It established WEAN cooperative in 1991 to serve as a marketing outlet for products of women entrepreneurs. This cooperative provides micro credit to women entrepreneurs. The training package of WEAN consists of:

1. Practical small business management
2. Accounting system
3. Women entrepreneurship development in tourism.
4. Enterprise learning and networking
5. Technology based women entrepreneurship training.

Swiss contact: It has a project for small industry promotion. The project provides financial support to various Nepalese local non-government organization to deliver various management as well as skill-based training. Such training has been helpful in creating entrepreneurship climate.

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