Business Development Relationship

Student’s Name

Institutional Affiliation

ENTREPRENEURSHIP

Entrepreneurship is the process in which an individual has an ability to identify any business opportunity within an environment and put it into practice in order to disrupt the current market with the new products or service. Entrepreneurship may start as a small buss but with a long term visions aiming at making high profits.

**Characteristics of a good entrepreneur**

* Should be a risk taker. A good entrepreneur should be able to take risks which may arise when trying to achieve any objectives in business. Entrepreneurship is faced with the following risks, loss, theft and dishonesty from your employees and products get damaged or spoiled if not sold within the stipulated time.
* Should be time conscious. A good entrepreneur should be able manage his time well so as to achieve his objectives.
* Should be goal oriented. A good entrepreneur should be able to achieve his goals as he set earlier.
* Should be a decision maker. A good entrepreneur should be able to make his own decisions and which he will stick and be firm to achieve them.
* Should be future oriented. A good entrepreneur should be able to put up future objective and work towards achieving them in future.
* Should be hardworking. A good entrepreneur should only be committed to his work.
* Should be self-confident. A good entrepreneur should be sure of what he want t achieve.
* Should be flexible. A good entrepreneur should be flexible to match with any arising changes.
* Should be information seeker. A good entrepreneur should be able to use various methods to get relevant information.
* Should be initiative. A good entrepreneur should be aggressive in implementing ideas well ahead of other businesses to be ahead of them.
* Should have concern to the high quality of products. An entrepreneur should strive to beat the existing products.
* Should have concern to the customer’s satisfaction. A good entrepreneur should ensure that customers are satisfied to as to continue buying from the business.

**Importance of Entrepreneurship in the Economy**

* Creation of employment. Jobs are created which help in absorbing people who would otherwise have been jobless.
* Helps in formation of capital. The salaries and wages paid to the employees helps them get capital which they can use to start their own businesses.
* Reduces rural to urban migration. People who become entrepreneurs set businesses in rural areas and employ locals hence reducing rural urban migrations.
* Raising standards of living. The wages and salaries paid by entrepreneurs to the citizens help them buy goods and services which they could not afford.
* Savings on imports. Local entrepreneurs produce goods and services which serve as imports substitute.
* Improves infrastructure. Where entrepreneurs set businesses, the government finds it necessary to improve infrastructure such as roads.
* Reducing foreign dominance of the economy. Entrepreneurs reduce foreign investors by setting up their own businesses.

**INNOVATION**

Innovation is the ability to come up with developed existing products, services and processes and business models which satisfy the customers need.

**The four types of innovation**

* Incremental innovation. This is the act of improving the product that already exists in the current market.
* Adjacent Innovation. This is coming up with new products that are closely related to the ones existing in the market from different companies so as to satisfy the customer’s desires.
* Disruptive innovation. is an innovation that simplifies and makes more affordable products and services to undesirable or ignored markets. Established companies typically strive to improve their products and services for their profitable customer base, largely ignoring the needs and desires of untapped segments.
* Radical innovation is an invention that comes up with new products by destroying completely the existing ones from the other companies in the market.

**Importance of innovation in Businesses**

* Innovation leads to the growth of businesses hence increasing its profits.
* Innovation helps business entrepreneurs be ahead of the others in competition.
* Innovation helps entrepreneurs learn more on existing technologies and taking its advantages.

**Challenges Facing Innovation**

* It lacks the basic knowledge of good leadership.
* There is lack of enough resources such as finance.
* It only focusses on short term plans.
* It is believed to have limited connections to the science and technology.

**ECONOMIC DEVELOPMENT**

Economic development is the quantitative chance in national income. Since the existence of entrepreneurs in the economy and the ability to be good innovators, its believed that final results is the economic developments in a country. A country with good entrepreneurship and innovators is believed to have the following indicators.

**Indicators of economic Development in a country**

* It makes a country shift from agricultural to manufacturing sector.
* It has reduced illiteracy level
* Has increased use of technology and improvement in entrepreneurial ability
* There is increment and improvement of institutions that handle new methods of productivity.
* Has increased skilled man power.

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