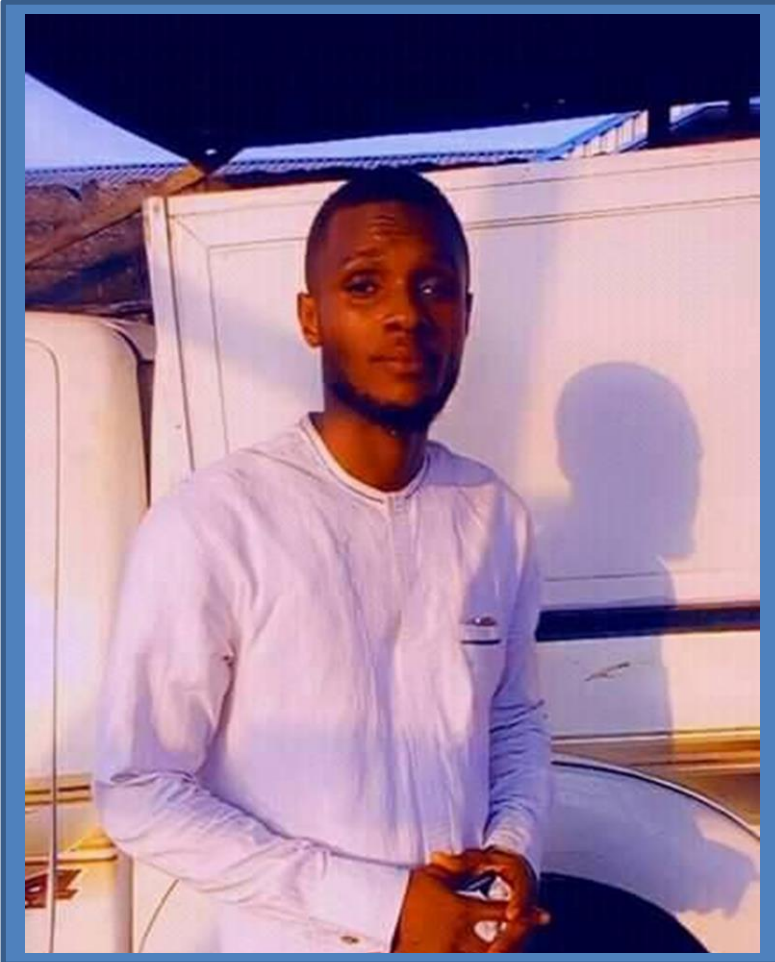


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# **Avoid the White – Collar Syndrome**

Lecture Notes on Entrepreneurship  
Let's do Business



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## CHAPTER ONE

### AVOID THE WHITE COLLAR SYNDROME

Well before we begin, let us define the key words that triggers our topic:

Avoid: This means to prevent something bad from happening.

WhiteCollar: Working in an office, rather than in a factory.

Syndrome: An attitude or social problem.

Many of our graduates and skilled men and women today, believe that the only way to success is through a White-Collar jobs, working with Oil Companies and with the Government parastatals, but that is not true.

Do not get me wrong. I am not saying working with these institutions is bad, but with the vast number of graduates and skilled men and women within the country it will not easy for everyone to fit in to all these companies and parastatals, so there is a need for Entrepreneurship.

#### MeaningofEntrepreneurship

Entrepreneurship have been described as the harbinger for rapid economic growth and development. It also serves as a tool for poverty eradication, employment generation and wealth creation.

Societies with outstanding successful Entrepreneurs have witnessed significant economic growth as a result of the impact and success of the collective individual businesses.

Leading nations of the world have enshrined enterprise development in their respective economic growth policies and programs which in turn have led to the notable growth and rate of their various economies.

#### WhoisanEntrepreneur?

This is somebody that has the capacity and willingness to develop, organize and manage a business venture along with any of its associated risks in order to make a profit.

An Entrepreneur combines land, Labor, Natural Resources and capital to produce profit.

Entrepreneurial spirit is characterized by innovation and risk taking, and is an essential part in an ever changing and increasingly competitive global market place.

## THE NEED FOR ENTREPRENEURSHIP

The world needs more entrepreneurs to employ more people and creates more jobs for others.

I strongly believe the biggest resources for new employment generation is by creation of new businesses.

According to the **dictionary**, an entrepreneur is someone who “Organizes, manages and assumes the risk of business”. The actual role entrepreneurs play in our countries’ economies is much broader than that even though it is often not a very visible role.

An entrepreneur is a person who organizes, handles and presumes that risk.

### Advantages of Starting your own Business

1. The ability to be your own boss.
2. Set your own schedule
3. Make your own money by doing something you enjoy and so many others, but let us mention but a few.

Note: Becoming a successful entrepreneur requires sound planning, creativity and hard work. It also involves taking risks because all businesses requires some form of financial investment to begin evaluating whether or not owning a business is right for you, consider the personal characteristics and qualities that can help improve entrepreneurial success.

Fact: Any one can learn and become an entrepreneur. Businesses are built on ideas. In fact, the first step to starting a business to come up with an original idea.

Your business must identify and solve the needs of people. Some entrepreneurs continuously struggle to bring a single idea or product to the market while others seem to be able to do it almost effortlessly, time and again.

According to Robert T. Kiyosaki The Author of Rich Dad Poor Dad, to be a great entrepreneur, be a leader who works for those who work for you. If my company is not profitable, I should not get paid.

The story of the talents in Matthew 25:14-30 is an entrepreneurial lesson. What you know and apply determines how far you can go in life.

### Benefits of Entrepreneurship

1. The engine for economic development.
2. Employment generation.
3. Self actualization in running your own business.
4. Opportunity to translate your ideas into profit.
5. Being your own boss.
6. Financial freedom.
7. More money!
8. More time for family, friends and business.
9. Taking advantage of untapped opportunities and make profit.
10. Take a calculated risk and benefit from it.

Below is a business chart of a beverage shop owner and his tithe

## BusinessChart

S/N	DES	QTY	AMOUNT	PR	SP	FP	T
1.	Milo	10	20,000	2,000	2,300	300	30
2.	Mini Laptop	7	60,000	8,570	12,000	3,430	343
3.	Printer	20	56,000	28,000	35,000	7,000	700

Abrams Tithe: Genesis 14:18-20. See also Proverbs 3:8-10

Pay tithe on my business, I pay my personal tithe?

The answer is that you are not paying but returning one tenth of your corporate tithe as a compulsory task and saving yourself Ninety percent but where you fail to do so the reverse is the case. See Malachi 3:8-12. Nothing works without God. See Deuteronomy 8:18, Psalm 35:27.

### Characteristics of a successful entrepreneurs

1. A good and successful entrepreneur must be creative.
2. Goal driven.
3. Integrity.
4. Innovative.
5. Problem solving oriented.
6. Persistent.
7. Persevere.
8. Independent.
9. Confident.
10. A risk taker.

11. Willing to embrace new ideas.
12. Improve on self continuously.
13. Trust worthy.
14. Self starter.
15. A natural leader.
16. Ability to take responsibility for his actions.
17. Must have business skills.
18. Family support.
19. Must like to work with people.
20. Takes and stands by his decision.

If you do not possess these traits, do not worry it can be learned.

Characteristics of an Unsuccessful Entrepreneur

1. Lack of proper management of finance.
2. Inability to manage time.
3. Lack of discipline.
4. Inability to manage business.
5. Inadequate finance.
6. Lack of good communication.
7. Improper record keeping.
8. Lack of risk.
9. Improper planning.
10. Poor business site.

The mind of an entrepreneur is for profit making.

Three(3)keyattributesofanentrepreneur

1. An entrepreneur must be hardworking.
2. Nonconformity: Entrepreneurs are independent souls. They prefer working for themselves.
3. Strong Leadership: Must be able to stand out and take decision as at when it is necessary.

Note: Preparation + Luck = Opportunity.

A Time Management Table

s/n	Hours	Activity
1.	6 hours	Sleeping
2.	2 hours	Domestic chores
3.	6 hours	Watching movies
4.	1 hour	Devotion
5.	4 hours	Gossip

$$10 \text{ hours} \times 7 = 70 \text{ per week}$$

$$70 \times 4 = 280 \text{ hours per month}$$

Fact: People that are already in business are Business owners. While people that wants to go into business are starters of start ups.

Areas in Business

1. Service
2. Industry



3. Agriculture
4. Sales

### Examples of service Business

1. Laundry business.
2. Land agent.
3. Hair salon.
4. Catering and Hotel services.

### Examples of industry Business

1. Cassava Processing (Garri manufacturing)
2. Fish foods manufacturing.
3. Cassava flour manufacturing.
4. Starch manufacturing
5. Palm oil manufacturing.
6. Palm kernel oil manufacturing.

### Tips Before Starting A Business

1. Before you start a business, first of all understand your "Market".
2. Develop a plan.
3. Your target market.
4. Develop a market plan.

5. Cost of establishment.

Market Survey

Feasibility study or market survey makes you to understand your market, know your competitors and how you can make profits in your business.

The Plan

The plan will tell you the area of business that you want to start.

Examples of Agricultural Business

1. Fish Farming.
2. Snail farming.
3. Poultry farming.
4. Crops, foods and vegetable farming.
5. Examples of sales Business.
  1. Shop owners
  2. Newspaper vendors
  3. Mobile marketers and sales persons.
  4. Road side business persons.

A cost estimate of Ice block Business

Water tank	=	N20,000
Light Bill	=	2,000
Generator	=	60,000
Borehole	=	120,000
Machine	=	120,000

Filter Machine	=	370,000
Total	=	692,000
Sales per day	=	21,000
Sales per month	=	<u>168,000</u>

### How to start your own Business

*On your mark, set, Go getting started with SMBS: Business plan, concepts, ideas, hobbies and skills.*

There are thousands of tasks that every small business owner must consider and do in order to set up a new business. However, whether you are a new small business owner or an experienced entrepreneur, here are five things to remember when setting up a small business.

#### 1. Develop a Business Plan

You must have probably heard it a million times, but is it worth repeating that often? The business plan helps you to understand the following;

Why do you want your own business?

What is the focus of the business?

Who are your competitors and how will you compete?

What is the scale of your business idea?

What does your endanger look like?

What else do you need?

What is the parastaltal to operate?

How much money do you need to get started?

How will you get the money to get started and survive?

How much are you going to make?  
What is the timing?  
Proximity to your competitors

## 2. Type, Name, Structure and Incorporation of a Business

What business structure should you choose? Below are seven types of business structure that exist

- i. Sole proprietorship
- ii. Partnership
- iii. Corporations and Limited liability Businesses
- iv. C Corporation
- v. S Corporation
  
- vi. Limited Liability Corporation (LLC)
  
- vii. Limited Partnership
- viii.

As you plan starting up your own business, one of the first decision you need to make is the formal business structure you will assume. Which structure you choose depends on your business.

### Sole Proprietorship

This is the easiest type of business to start. There are no incorporation forms to fill or fee to pay to the government. You pick your business name, and get to work.

With a sole proprietorship , you avoid double taxation that occurs in corporations as every dollar you earn hits your personal income tax. You pay no corporate income tax.

Because of the ease of starting this type of business, there is a larger amount of risk involved due to the lack of incorporation. How much risk? You are personally liable for everything done in the business name. You can hire employees as you would with any other businesses, but if they damage someone else's property you can be personally sued for the damage. This puts everything at your own risk.

Note: Letter of Administration gives you the right to anything that is yours to inherit (Legal Right).

### Partnership

A partnership is where two or more individuals formerly agree to do business together. Partnerships are very easy to form, and then income are generated from them.

### Corporations and Limited Liability Business

There are several types of corporations and limited liability business structures that can be used to avoid some or all of the business liability undertaken with a sole proprietorship or partnership.

### CCorporation

In this business structure, you pool your money together with other shareholders and are given stock in the newly formed business. A corporation is viewed as a completely separate tax entity in the internal revenue service eyes, so your business can take tax deductions just as an individual would.

This also means your profits will be taxed twice. Once at the corporate income tax level, and then again when the corporation pays you via salary, bonuses or dividends. Since the corporation is separate entity, your personal liability is limited.

### SCorporation(Sole)

An S corporation is a legal entity formed just like a corporation with the added bonus that income flows directly to your personal income taxes through what is called "Pass through" taxation.

There is no double taxation. This structure is especially nice because your liability is limited to that of a regular shareholder, but you only pay tax once.

### Limited Liability Corporation (LLC)

An LLC is a state allowed business structure that mixes the benefits of sole proprietorships and corporations while removing some of the disadvantages.

Owners of LLCs are referred to as members there can be any number of members, but there is always members, but there is always managing member who is in charge of daily operation for the business. All members are not personally responsible for judgments made against though to their personal income taxes. There is also a lot less paper work for an LLC compared to a corporation or sorption you are also not required to have a shareholders meeting every year, nor a board of directors.

### Limited partnership

This a relatively large business outing developed by entrepreneurs.

This is a more advanced form of partnership where two or more people combine their repowers together for the purpose of making profits.

### 3. General Introduction

Business Name  
Contacted Information  
Executive Summary  
The business Desertion

- ↗ General information
- ↗ Business mission statement
- ↗ Business vision
- ↗ Business description and products offered.
- ↗ Industry information
- ↗ Site selection
- ↗ History of existing business.
- ↗ Sources of raw materials.

4. MarketingPlan

Entry strategy  
 Target market  
 Distribution strategy  
 Marketing tools.

5. ManagementOperation:

Business organization

Design company letter – Headed paper with the business name, logo, phone number in the company, contacts and bankers.

Personal Board resolution letter and bank.  
 Certificates/licenses and permits signatories and why.  
 Sources of supply and suppliers.

HowtoNameaBusiness

Your Business name will frame its identity. The significance of choosing a name can sometimes be a tricky undertaking.

Imagine how the potential name will.

Look (on because cards, Advisements, with a logo)  
Be remembered (Connotations the name may incite)  
Distinguish from others.

### Your names should

Describe what you do.  
Make an impression  
Easy to spell.  
You can use your own name.  
Availability to proposed names.  
Name availability search.  
Considering your results  
Registrations  
Optional registration.

### Sources of finance for your Business

Seven (7) Business startup funding services

1. Your own income (cost and Risk)
2. Credit cards
3. Family and friends (The basics of finance and how it determines success)
4. Business Plan competitions. Entrepreneurs can turn to business plan competitions. Your plan is presented and compared to those of other competitors, and the winners can walk away with as much as N100,000 in funding to get their business off the ground. Cost



and Risk **Minimal** your only costs would be travelling to whatever the competition is held and the time you spent preparing.

5. Angel Investors: For larger business idea that needs funding from the beginning. Angel investors are people that are multimillionaires that wants to invest on small scale businesses. They do not know what to do with their money so they want to invest on small businesses. Cost and Risk: They May require equity shares.
6. Venture Capital: The two biggest letters in entrepreneurial investing are VC venture capital groups pool together money from investors and take calculated risks on start-ups. VCs hear dozens of pitches every year, and only invest in a handful.

When they do invest, they invest strongly-usually in the millions of dollars range.

Venture capitalist will normally require a board of directors, a seat on the board, and a defined exit strategy. The goal is typically to sell the company to an acquirer or to go public with an IPO within 5 years. Cost and Risk: Venture Capital is a classic “go big or go home” mentality. VCs can take a significant chunk of equity from your company. Entrepreneurs are willing to give up a lot of control if it means the company has a larger chance of success and making them rich too.

#### 7. Loans

Banks and relevant bodies helps start-ups.

#### The price of Bad Financial Decisions for Small Businesses

1. Under capitalization.
2. Not having a book keeper.
3. Overinvestment.
4. Lack of resources for contingent funding.

#### Personal Financial Drains

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