

Entrepreneur 2

LCM B7004



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Introduction

From the Key points that I have described in the last assignment now, I will get my attention to the external environment that covers us and from where any person will focus his idea of business to one or other direction as It is the main principle reason around you ass entrepreneur should set up your own business.

After a deep discussion how the whole environment will affect me to start up a new business, I will describe few theories of motivation that is the main point to push us and keep making possible your dreams to come up to reality with one practical example who bring his idea to a successful business following it with a conclusion plus a few recommendations.

How the External Envirnoment can Affect to Entrepreneurship

As all the individuals are living around an environment where are playing differents circumstances that will influence on your decision that's why I will analysis the 5 principal factors that will influence to you at the time to set up any kind of news business, in that Idea as generally speaking the authors will put their focus on the **PESTLE** analysis but in this case as I am talking about entrepreneur will mean that I have to analysis the factors that will help you or no to star up a business the reason because I will display a deep description of **PESTEC** which are the siglas for 6 main factor which are clearly affecting to the entrepreneur to set the Idea of bussines in one or other direction.

Political

Over this factor can give an influence to you when the entrepreneur needs to decide where to start up any new business as depending on the actual political situation of any country or city will make it easier for the entrepreneur to decide where I can do my activities and they will allow me

to display my activities in other words if the country is living in a democratic and establish environment will be more easy for any entrepreneur rather than start up a new business where they are having internal issues like civil war or establish a government where the facilities are not the most suitable for a new business.

Around the world, there are many different kinds of laws that will affect the entrepreneur decision regarding the location of a new business but the UK and USA are the most relevant country that may affect the placement of your business like for example laws like Health and Safety at Work in the Data protection or example the limitation in Sales in alcoholic drinks that got an end up a time to keep selling them as the government can sanction you if you do not follow the laws. However, some politics benefit the entrepreneur to set up a new business like for example the Corporation Tax rates can be reduced to help the business profit also some government can grant a company in politics of new hiring during the tough times like the whole world is going by the actual Pandemic.

Economic

In this point the Economic Factor is affecting to both side not just to the customer where are more influencing but also over the business area where there are many variables to be taken into account that play and in turn influence individual businesses, such as changes in currency prices and increases or decreases in the payment of taxes, in particular, dictate how consumers will act on the one hand and how entrepreneurs will have to adapt accordingly to make the most of the change or new situation that they are faced with.

A clear practical example of the above can be seen in the case of supermarkets how Tesco's business plan is affected by changes in costs, demand, profits, and prices, and all the variation that can influence over the economic area of any business like inflation

Social

At this factor, there are including all the ethical, cultural, and demographic aspects that will affect the demand of a business independent if the company is big or small but It will get more impact over the small business as they are more sensitive to any change that is around them.

For example, any social behavior or a new trend that is happening nowadays can make an entrepreneur change their idea of business as the business opportunity is going to be defined by society.

Technology

As part of the elements or factor that are affecting to the entrepreneur to start up the new business, the technology is everything where anyone will bring advances like for example on their production by reducing their cost to make easier the way that the entrepreneur is doing also will help the business to introduce better in the new market by improving their profits en consequence against the loses on their sales if that could happen.

Cultural Envirnement

Into the envirnoment is including all the things that will affect the earth in comparation with the other this one is relevant to the global economy, politics and other external factors that can get influence over the enterprise or idea of business that the entrepreneur has to put on practices.

Competitive

This Factor can exist if there already companies doing the same activities or business that you as an entrepreneur are trying to do it who is call your competitors or they will be if you are making innovations that no one has tried before, It means there is a new market where no one has ever be before which means you are on your own making your way trying to bring your idea against other that still doing the same Like it happen at the moment with the crypto money against the actual currencies or is happen by the new electro which are against the contemporary gasoline cars as Tesla is introducing to the new world.

However, in this factor are playing two types of competitors the direct competition that is the companies who are selling the same products and the other hand there is the indirect competitors were different firms that are selling different products but they are fighting for the same kind of customers.

Definition of Motivation

For anyone that is thinking to set up a new business with the idea to make it a profitable business is essential to do whatever you got love for it. It means the business needs to have something that is making you passion and will be able to do anything that takes to make it possible that is why the motivation is the principal idea that the entrepreneur should have clear to start up as a new business, the motivation is being analysed from different points of view to get a definition of it but with different treatment this means there are few different explanations to define motivation but I have chosen the one where are encompassing all the theories that I will analyse in details into the future chapter of the assessment.

Following this I can define the motivation as the learned needs which influence to our behaviour leading us to pursue our particular goals they are socially valued.

Theories of Motivation

As motivation is one of the characters that feed up any human to do some activities or have a routine every day, for any entrepreneur is the energy that charges your battery to make your business better every day that is the reason because is being treated by a different author and get from the different points of view in consequence division in opinion where in some case I can extract points in common. However on the days being there are two big groups of theories where we can sort all the theories with their ideas, in one side some theories can fall into the Content theories and then there are others which are part of the Process theories, the first one is including those theories that define the motivation as the satisfaction of need and the second group which define the motivation in terms of a rational cognitive process.

Content Theories

Into this group, there are a lot of writers about it but I will highlight only two of them to make a clear idea of what this theory trying to achieve.

- Motivation-Hygiene Theory: Hertzberg

Hertzberg[Hygiene Theory] in collaboration with his colleague Synderman published 1959 the theory of Motivation Hygiene where after examined his research lecture they end up with the following idea by saying that in all work areas there is the factor that is positive to work and others that are opposite, according to this initial idea for Hertzberg there are two determinate categories of factors, in one side the ones are associated to the need to growth or self-actualization were became the motivation factors then they are the Hygiene factors which are related to " the need to avoid the unpleasantless" that is connected to the administration relationship with the supervisors and interpersonal relations.

-Hierarchy of needs: lower needs must be met first. (Maslow): Behind this Theory Maslow[Hierachy Theory] has created a pyramidal system where he divides the motivations into three different groups, first, the basic need that is including the Physiological and Safety Needs then he called the Psychological needs that are including belonging, love, and Esteems needs, and finally, there are the Self Fulfillment needs that complete the pyramid. However, this theory has principal rules as It is saying that the bottom needs have to be satisfied first before anyone climbs to the next step.

Regarding the 5 types of motivations that I have mentioned in the previous paragraph, I will describe them by short analysis:

- Physiological Needs: Over this one are included all the biological requirements that any human need that without them they cannot function normally
- Safety Needs: Here Maslow includes all the elements that give you whatever you need to get control of your life.
- Love and Belong Needs: This Third level includes all the valor and feeling that motivate your behavior
- Esteem Needs: where the author include prestige and feeling of accomplishment

- Self-Actualization: as it is the final step of the pyramid is referring to the personal realization and becoming the most that you can be.

Process Theory

At this theory in composition with the ones early this perspective of the motivation is treating the motivation from the idea that the motivation is a rational cognitive process where the impulsive for anyone to start up a business is coming from the outcome desire. It means the behavior is based on other calculations of anticipating their outcomes, in this sense the principal to lead this line of theory is Edward C. Tolman and continued by Victor H Vroom by the created of the Expectancy Theory where they described how the individuals will choose one behavior from the different options.

In this sense This theory provides the idea that individuals motivation comes from the belief that they will get what they desire in form of reward, to highlight the principals of this theory there are 3 ideas where is based on the main part of this theory as there are:

- The positive correlation between efforts and performance in other

Support System to Start up New Business

Firstly before anyone will start up a new business few key factors will increase the desire of someone to become an entrepreneur, in that perspective few authors have developed four core elements to venture a new project, in this sense, Vesper[New Venture] has highlighted the key factor into the following ones:

- **Profitable Business Opportunity:** Into this factor or core element is extended to which possibilities exist as new ones or also how opens are the leeway that the market gives to the entrepreneur to be able to enter and make your way on it. Entrepreneur opportunities tend to be higher in economics where are deregulated. It means the market mechanisms can operate freely, and where the entrepreneur has to face very barriers to entry.

- **Propensity to enterprise:** At this point is included the behaviour or what is pushing the individual to put on place a new business from there the literature has find out determinane characteristic that will help the individual the right opportunities where he or she will be successful.

- **Ability to enterprise:** Refer to this factor the authors will include the technical and business capabilities required to start up and manage a new business such as business plan, product development, marketing, managements etc.

To get this key factors a final viewr there is a crucial requirements in the process of a new venture that is coming the time for the individuo and get all the factor matching in a same level to become a entrepreneur and then set up a new successfull comapny or business.

Conclusion

After I have analyzed the main ideas that will bring the basics ideas of your set up business I will try to get a highlight it by adding a personal perspective where I am leaving few ideas that will complete the report and help any entrepreneur to grow up as I said healthy and successful business.

By reviewing the whole analysis I have got to the conclusion that anyone who wants to set up up a new small business[Small new Business] needs to have a clear idea of how he or she will grow it to make a successful business, pointing my idea over the motivation and the support systems that any firm need to add to the idea there are elements or factor that will get more relevant at the beginning of the new venture at your life which is a great group of people who has the same implication and belive at the project that you are getting into the world to make an easier way and collaboration to make a possible and healthy business to the prosperous years.

As soon you have established your idea in the business world will come the time and the opportunities where you will have to evaluate with your team and grow the business to the next level where the decision will be easier than the beginning as the company got a statement where it has been created.

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