



UNITED NATIONS
UNCTAD



Empretec Programme The Entrepreneur's Guide

Reference Guide Contents



Contents

Page Number



Empretec Entrepreneurship Introduction	1
About Empretec	2
Participant's feedback	3
Empretec methodology	4
The Entrepreneurship Workshop	5
The first cluster	6
The second cluster	9
The second and third clusters	10
The third cluster	11



Planning cluster	12
Goal-setting	13
Information-seeking	16
Systematic planning and monitoring	19



Achievement cluster	22
Opportunity-seeking and initiative	23
Persistence	26
Fulfilling commitments	29
Demand for efficiency and quality	32
Taking calculated risks	35



Power cluster	38
Persuasion and networking	39
Independence and self-confidence	42

Business planning task	45
-------------------------------	-----------

Empretec Entrepreneurship Introduction



This guide has been developed to help those who participated in the Empretec Entrepreneurship Training Workshop (ETW) to put their learning into practice.

By reviewing the 10 Personal Entrepreneurial Competencies (PECs) that make business people successful entrepreneurs, the guide provides participants with a practical tool that will help them to assess their strengths and weaknesses.

A number of questions will guide the readers through the distinguishing traits of each of the 30 behaviours they have practiced since they completed the training. They may well find that some competencies need attention and practice to be further developed.

In a similar way, other questions will encourage the entrepreneurs to think about how to practically turn behaviours into habits and apply them to their businesses' development.

About Empretec



The programme aims to enhance productive capacity and international competitiveness for the benefit of economic development, poverty eradication and equal participation of developing countries in the world economy.

A pioneering United Nations programme in developing entrepreneurship is Empretec from the Spanish for emprendedores (entrepreneurs) and tecnología (technology). Empretec is a mechanism that instills behavioural change into a select group of promising entrepreneurs. It is dedicated to helping promising entrepreneurs put their ideas into action and helping fledgling businesses to grow.

The Empretec methodology (developed uniquely at Harvard University) identifies 10 key areas of competencies related to entrepreneurial development. These include: opportunity-seeking and initiative; persistence; fulfilment of commitments; demand for quality and efficiency; calculated risks; goal-setting; information-seeking; systematic planning and monitoring; persuasion and networking; and independence and self-confidence.

Associated with these skills are a series of behavioural indicators found to be the most useful for detecting and strengthening entrepreneurial potential. Through behavioural change, Empretec has nurtured almost 150,000 entrepreneurs in 29 developing countries (including six least developed countries (LCDs)), with the help of more than 600 local certified trainers.

Empretec is managed by the UNCTAD secretariat in Geneva, Switzerland.

Participants' feedback

Programme Locations:

Angola
Argentina
Benin
Botswana
Brazil
Chile
Colombia
Dominican Republic
El Salvador
Ethiopia
Ghana
Guatemala
Guyana
Jordan
Mauritius
Mexico
Morocco
Mozambique
Nigeria
Palestine
Panama
Paraguay
Romania
Senegal
Tanzania, United Republic of
Uganda
Uruguay
Venezuela, Bolivarian Republic of
Zimbabwe

“You’ve encouraged me to be a better person within my society. Now that I have this information, I will make myself useful. I will now follow my dreams to be my own manager. Thank you for your help. It will be used! If you are persistent...the greatest walls will crumble before you.” (Guyana)

“I was fortunate to attend the 1st ETW in Amman, Jordan. The workshop was extremely focused, interactive and experimental. The identification of the 10 Personal Entrepreneurial Competencies (PECs) and the Behavioural Indicators is a concrete benefit that raised my awareness of what it takes to be a successful entrepreneur. I am recommending this course to some of my friends, for I know that they will be appreciative of the opportunity to acquire and sharpen their entrepreneurial competencies.” (Jordan)

“Empretec training and guidance has made the difference in my business approach and entrepreneurial success. You cannot fail if you live by the training and guidance.” (Ghana)

“This has been an incredible workshop, just like everything that comes from Empretec” (Uruguay)





The Empretec methodology is based on the research conducted by a psychologist from Harvard University, Professor David McClelland, who had done extensive work on entrepreneurship since the late 1950s. His research demonstrated that everyone had inner motivation to improve. This “motive for action” was called an archetype by McClelland. He classified the 40 archetypes in three motivational main types, led by the achievement, affiliation or power drive.

Achievement

The motive for achievement is a need that makes people accomplish great things. They love challenges. They want to drive themselves so that they are capable of doing what they aim to do. The desire to achieve is evident in all aspects of their personal and professional lives.

Affiliation

We all have a relative in our family who loves to organize the New Year’s Eve get-together. Their motive is a tremendous need for aggregation. Entrepreneurs love this lifestyle and love to associate with important people in the community.

Power

Entrepreneurs love the freedom and independence of being their own boss. Entrepreneurs have to be free to pursue their own ideas, follow their own road. They are the movers and shakers, the people who make things happen. Can this motive, the need for achievement, be taught to people? Based on McClelland’s research, a number of training programmes have been developed for business people to increase their achievement motivation.

The Entrepreneurship Workshop



This workshop is based upon research funded by the United States Agency for International Development (USAID) which was conducted by McBer and Company (David McClelland's consulting firm) and MSI (United States) to determine the behavioural competencies which distinguish successful entrepreneurs from less successful entrepreneurs.

Focused interviews lasting four hours were conducted with hundreds of entrepreneurs in a number of countries. The research team then compared the answers, the discussions and the way of thinking and behaving of these different groups in order to understand what it was that was really different about the personal competencies, the actions and the thoughts of the successful entrepreneurs.

Finally, after months of testing, they came to understand that there were certain common competencies, from one country to another and from one business to another, which all the successful entrepreneurs had.

These competencies were called Personal Entrepreneurial Competencies or PECs. The Empretec training programme is about those PECs.



Achievement

Opportunity-seeking and initiative

An entrepreneur is someone who seeks opportunities. Where other people see problems, entrepreneurs see opportunities and take the initiative to transform these opportunities into profitable business situations. They demonstrate the following behaviours:

- Do things before being asked or forced to by events;
- Take action to extend the business into new areas, products or services; and
- Seize unusual opportunities to start a new business, obtain financing, equipment, land, work space or assistance.

Persistence

Entrepreneurs have the determination to persevere in the face of obstacles. When most people tend to abandon an activity, entrepreneurs stick with it. They demonstrate the following behaviours:

- Take action in the face of significant obstacles and challenges;
- Take persistent actions, or switch to an alternative strategy to meet a challenge or obstacle; and
- Take personal responsibility for the performance necessary to achieve goals and objectives.

The first cluster



Achievement

Fulfilling commitments

Entrepreneurs always do what they say they will do. They always keep their promises, no matter how great the personal sacrifice. They demonstrate the following behaviours:

- Make a personal sacrifice and extraordinary effort to complete a job;
- Pitch in with employees, or take their place if needed, to get a job done; and
- Strive to keep customers satisfied and place long-term goodwill above short-term gain.

Demand for quality and efficiency

This has to do with passion: being obsessed by the need to improve quality, to do something better, faster or cheaper. This passion is reflected in the integrity of entrepreneurs and the pride they have in their work. They demonstrate the following behaviours:

- Find ways to do things better, faster and cheaper;
- Act to do things that meet or exceed standards of excellence; and
- Develop and use procedures to ensure that work is completed on time and that work meets agreed-upon standards of quality.



Achievement

Taking calculated risks

Taking calculated risks is one of the primary concepts in entrepreneurship, the element that makes them entrepreneurs. They are willing to take risks. They demonstrate the following behaviours:

- Deliberately calculate risks and evaluate alternatives;
- Take action to reduce risks and/or control outcomes; and
- Place themselves in situations involving a challenge or moderate risk.

The second cluster



Planning

Goal-seeking

This is the most important competency because none of the rest will function without it. Entrepreneurs know what they want. They know where they're going in business. They're always thinking about the future and set goals. They demonstrate the following behaviours:

- Set goals and objectives which are personally meaningful and challenging;
- Articulate clear and specific long-term goals; and
- Set measurable short-term objectives.

Information-seeking

Entrepreneurs do not like uncertainty or assumptions. They don't like to count on others for information. It seems that an entrepreneur spends a lot of time gathering information about their clients, suppliers, technology and opportunities. They demonstrate the following behaviours:

- Personally seek information from customers, suppliers and competitors;
- Do personal research on how to provide a product or service; and
- Consult experts for business or technical advice.

The second and third clusters



Planning

Systematic planning and monitoring

Systematic means “in an orderly, logical way”. Planning is deciding what you are going to do. Monitoring means checking. It is, in fact, what a business plan is for: to see if something is feasible prior to trying it. Entrepreneurs demonstrate the following behaviours:

- Plan by breaking large tasks down into sub-tasks with clear time-frames;
- Revise plans in light of feedback on performance or changing circumstances; and
- Keep financial records and use them to make decisions.

Third cluster - power

Persuasion and networking

Entrepreneurs use a definite strategy for influencing other people to follow them or do something for them. A successful persuasion strategy depends upon all parties involved, that is, the entrepreneur and the people he is trying to persuade. Entrepreneurs demonstrate the following behaviours:

- Use deliberate strategies to influence and persuade others;
- Use key people as agents to achieve own objectives; and
- Take action to develop and maintain a network of business contacts.

The third cluster



Power

Independence and self-confidence

This competency concerns entrepreneurs' quiet self-assurance in their capability or potential to do something. It is an internal confidence that is reflected by the challenges they choose to undertake in life. Being self-confident means taking total responsibility for making things happen. They demonstrate the following behaviours:

- Seek autonomy from the rules and/or control of others;
- Attribute the causes of successes and failures to oneself and to one's own conduct; and
- Express confidence in their ability to complete a difficult task or to face a challenge.

This guide is a practical tool that will help you to assess your strengths and weaknesses and to further improve your entrepreneurial performance.

Now is your opportunity to review the 10 Personal Entrepreneurial Competencies (PECs) that make business people successful entrepreneurs.



Planning cluster



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Set goals and objectives which are personally meaningful and challenging		
2 Articulate clear and specific long-term goals		
3 Set measurable short- term objectives		



“If you don’t know where you are going, any road will get you there” – Lewis Carroll

Planning – goal-setting



What is your business goal for the next five years?

Activity	Specify what this looks like	How will I achieve these goals? (Set SMART objectives)
My position		
Number of employees		
New products or services		
New sources of clients		
Office location		
My annual income		
Company's annual income		



Specific – Measurable – Achievable – Relevant – Timed



Motivate yourself to achieve your goals

List your personal goals	Outline your goals	Why do you want to achieve this?	How will you motivate yourself?
20 years from now			
10 years from now			
5 years from now			



“If you think you can and if you think you can’t then you are probably right” – Henry Ford



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Personally seeks information from customers, suppliers and competitors		
2 Does personal research on how to provide a product or service		
3 Consults experts for business or technical advice		



There are no foolish questions, only fools who do not ask any questions.

Planning – information-seeking



Review information-seeking

Describe 3 information-seeking tasks you have experienced	What was the quality and scope of the information?	How useful was it and why? What did you learn?
1		
2		
3		



Judge a man by his questions rather than his answer.

Planning – information-seeking



Planning exercise

Describe 2 information-seeking activities you have planned	What are your priorities?	Designate responsibilities	What is the timeline?	Review (when complete)
1				
2				



The important thing is not to stop questioning. Curiosity has its own reason for existing.

Planning – systematic planning and monitoring



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Plans by breaking large tasks down into sub-tasks with clear time-frames		
2 Revises plans in light of feedback on performance or changing circumstances		
3 Keeps financial records and uses them to make decisions		



A thousand-kilometre journey starts with the first step.



Review exercise

Describe a task you have planned recently	
What was the objective?	
How did you conduct the task?	
What was the schedule?	
Who held the responsibilities?	
How much did it cost in resources?	
How much did it cost in money?	



Writing objectives increases the probability of achieving them by 60%.



Planning exercise

Describe a task you are planning to do	
What is the objective?	
How will you conduct the task?	
What is the schedule?	
Who will hold the responsibilities?	
How much will it cost in resources?	
How much will it cost in money?	



People never plan to be failures; they simply fail to plan to be successful.



Achievement cluster

Achievement – opportunity-seeking and initiative



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Does things before being asked or forced to by events		
2 Takes action to extend the business into new areas, products or services		
3 Seizes unusual opportunities to start a new business, obtain financing, equipment, land, workspace or assistance		



If an opportunity doesn't knock, build a door.

Achievement – opportunity-seeking and initiative



Opportunity generation

List 3 business opportunities you have generated	What were your challenges?
1	
2	
3	



Obstacles can't stop you. Problems can't stop you. Only you can stop you.

Achievement – opportunity-seeking and initiative



New opportunities

List 3 business ideas you have currently	Describe the current market for this	What is your advantage?	What are the challenges and how will they be overcome?
1			
2			
3			



The key to success is to turn business ideas into something that someone will pay for.

Achievement – persistence



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Takes action in the face of significant obstacles and challenges		
2 Takes persistent actions or switches to an alternative strategy to meet a challenge or overcome an obstacle		
3 Takes personal responsibility for the performance necessary to achieve goals and objectives		

Persistence



Success in business is 10% inspiration and 90% perspiration.

Achievement – persistence



Describe 3 scenarios where you have been required to demonstrate persistence:

Scenario	What were your strengths?	What were your weaknesses?	What will you do to improve your skills?
1			
2			
3			



If at first you don't succeed try, try and try again.

Achievement – persistence



Challenging goals

What are your 3 most challenging goals?	What are the obstacles that you may encounter?	What choices will you have to make?
1		
2		
3		



To increase your rate of success you have to increase your rate of failure.

Achievement – fulfilling commitments



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Makes a personal sacrifice and extraordinary effort to complete a job		
2 Pitches in with employees or takes their place if necessary to get a job done		
3 Strives to keep customers satisfied and places long-term good above short-term gain		



Individual commitment to a group effort is what makes a team work, a business work, a society work, a civilization work.

Achievement – fulfilling commitments



Review fulfilling commitments

Name 3 experiences you have had of fulfilling commitments	What were your challenges?	How did you succeed?
1		
2		
3		

Fulfilling commitments



The only limit to your impact is your imagination.

Achievement – fulfilling commitments



Planning commitments

Name 3 commitments you will engage in	What is your plan to keep your customer satisfied?	How will you know when this has been achieved?
1		
2		
3		



Your word is your honour.

Achievement – demand for efficiency and quality



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Finds ways to do things better, faster and cheaper		
2 Acts to do things that meet or exceed standards of excellence		
3 Develops and uses procedures to ensure that work is completed on time and that work meets agreed standards of quality		



Quality comes from the belief that everything can be improved.

Achievement – demand for efficiency and quality



Turn your behaviours into habits

Describe 3 quality improvements you have made	What was the effect on cost?	What was the effect on time?
1		
2		
3		



Only the best is acceptable.

Achievement – demand for efficiency and quality



Turn your behaviours into habits

Describe 3 products in your business you would like to improve	What improvements can be made and how will you do this?	What will be the benefits?
1		
2		
3		



Efficiency is doing something better than what is already being done.

Achievement – taking calculated risks



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Deliberately calculates risks and evaluates alternatives		
2 Takes action to reduce risks and/or control outcomes		
3 Places oneself in situations involving a challenge or moderate risk		



You will always miss 100% of the shots if you don't take any of them.

Achievement – taking calculated risks



Nothing ventured, nothing gained

Describe 3 challenging tasks you set yourself	What were the main risks?	How did you prepare to overcome these?	What was the result? What would you do differently next time?
1			
2			
3			



Set yourself a task worth doing.

Achievement – taking calculated risks



Fortune favours the brave - stay motivated

Describe 3 tasks that you are due to do	What is your assessment of the risks involved?	What will you do to mitigate these risks?
1		
2		
3		



You can always try to do better than you did before.



Power cluster



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Uses deliberate strategies to influence and persuade others		
2 Uses key people as agents to achieve own objectives		
3 Takes action to develop and maintain a network of business contacts		



Successful entrepreneurs tend to use all the bases of power.

Power – persuasion and networking



Power review

Describe the following business situations you have experienced:	Description	What was the outcome?
Control: Where you have the major degree of power		
Influence: Where you have had a moderate degree of power		
Environment: Where you had no power		



Power is the sum of control, influence and environment.



Networking review

Describe 3 networking tasks you will take	What will be your objective?	Who will be your key agents?
1		
2		
3		



There is only one way to get somebody to do something, and that is by making the other person want to do it.

Power – independence and self-confidence



Turn your behaviours into habits

Behaviour	Have you practiced this behaviour? If so how?	What was the outcome?
1 Seeks autonomy from the rules and/or control of others		
2 Attributes the causes of successes and failures to oneself and one's own conduct		
3 Expresses confidence in one's own ability to complete a difficult task or to face a challenge		



Everybody is always looking for reasons to explain their successes and failures.

Power – independence and self-confidence



Review your successes

Question	Description
1 What is your proudest business achievement so far?	
2 What strengths did you demonstrate to achieve this?	
3 How did you know when the outcome was successful?	



Self-confidence is the first requisite to great undertakings.

Power – independence and self-confidence



Turn your behaviours into habits

What 3 areas of your self-confidence do you need to improve?	What will you do about it?	How will you know that you have improved?
1		
2		
3		



Confidence is half the victory.



Business planning task



For success in business, it is vital to have certain personal entrepreneurial competencies. These competencies and associated behaviours are involved throughout the business planning process.

Planning task	PECs	Behaviour
1 Introduction	Goal-setting	Articulate clear and specific long-range goals
2 Description of business	Risk-taking	Deliberately calculate risks and evaluate alternatives
3 Description of products and services	Demand for efficiency and quality Opportunity-seeking and initiative	Act to do things to meet or exceed standards of excellence, and act to extend the business into new areas, products or services





These competencies relate to running a business. When you are working through the business planning process, you can identify and practice the competencies to judge your level of attainment.

Planning task	PECs	Behaviour
4 Customers	Opportunity-seeking and initiative Information-seeking	Seize unusual opportunities to start a new business, obtain finance, equipment etc., and personally seek info from clients or competitors
5 Competition	Persistence Information-seeking	Take repeated actions to overcome obstacle or meet challenge, and personally seek info from clients or competitors
6 Location	Information-seeking	Personally seek info from clients, suppliers or competitors





Each of the planning tasks require more than just the PECs listed in these tables. You will need these PECs throughout the duration of your business life – not just in business planning.

Planning task	PECs	Behaviour
7 Pricing	Persuasion and networking	Use deliberate strategies to influence and persuade others
8 Marketing	Persuasion and networking	Use key people as agents to accomplish your own objectives
9 Key personnel	Commitment to the work contract	Make a personal sacrifice or expend extraordinary effort to complete a job





Take the opportunity to practice these competencies when you are working on daily tasks throughout the business day. Judge your level of attainment of each of them.

Planning task	PECs	Behaviour
10 Material and sources of supply	Information-seeking Persistence	Research on how to provide a product or service, and take repeated actions to overcome obstacle or meet challenge
11 Manufacturing and production	Demand for efficiency and quality Systematic planning and monitoring	Find ways to do things faster, better, cheaper, plan by breaking down large tasks into sub-tasks, and revise plans in light of feedback
12 Sales forecast	Information-seeking	Personally seek information from clients, suppliers or competitors





Each of the planning tasks require more than just the PECs listed in these tables. You will need these PECs throughout the duration of your business life – not just in business planning.

Planning Task	PECs	Behaviour
13 Forecast profit and loss	Systematic planning and monitoring	Keep financial records and use them to make business decisions
14 Forecast cash flow	Systematic planning and monitoring	Plan by breaking down large tasks into sub-tasks
15 Presentation	Independence and self-confidence Persuasion and networking	Express confidence in own ability to complete a difficult task, and use deliberate strategies to influence others





UNITED NATIONS
UNCTAD

United Nations Conference on Trade and Development
Division on Investment and Enterprise
Enterprise Development Branch
Tel: (41) 22 917 2943
Fax: (41) 22917 0194
E-mail: empretec@unctad.org
Website: www.empretec.net