

- iv. **Encourages the use of local resources**-Entrepreneurship makes it possible to use/exploit local resources. Idle resources such as scrap metal may be used to make jikos.
- v. **Improving infrastructure**-The existence of businesses in the economy makes the government establish or improve infrastructure such as roads, communication facilities and water. At other times, entrepreneurs may combine forces to improve infrastructure in their area of operation.
- vi. **Savings on imports**-Local entrepreneurs are able to produce goods and services that are a substitute to imports. This helps the country to reduce the amount of money required to pay for such imports.
- vii. **Reducing foreign dominance of the economy**-Participation of local entrepreneurs in various business activities helps in reducing investments by foreigners in the particular area.
- viii. **Promotion of technology/promotion of innovation, research and development**-Entrepreneurs are creative and they come up with new and better ways of accomplishing tasks. Most of the inventions and innovations in our society have been developed by entrepreneurs.
- ix. **Promotion of entrepreneurial culture, helps in the creation of role models**-Successful entrepreneurs/entrepreneurial ventures encourage other members of society to initiate their own businesses and hence act as role models in the business world.
- x. **It contributes to government revenue**-Taxes and fees paid by entrepreneurial ventures constitute part of government revenue/income that helps it to facilitate its operations.
- xi. **It promotes economic growth**-Entrepreneurs produce goods and services. This increases the volume of goods and services in the economy leading to expansion of the economy.
- xii. **It may promote self-actualization and esteem**-By initiating businesses in which they are their own bosses, entrepreneurs pride is boosted and this may promote the overall productivity of the economy.

Characteristics of an entrepreneur

A good entrepreneur should have the following characteristics;

- a) **Desire to achieve**-An entrepreneur is a person who wishes to excel and has the drive to succeed while competing with others. He/she always tries to accomplish something new.

unfavourable and will discourage people from going into business. E.g. higher taxes are unfavourable hence discouraging.

- ii. **Infrastructure**-infrastructure includes transport and communication networks, water, security e.t.c. Availability of good infrastructure in an area tends to encourage people to set up businesses while poor infrastructure tends to discourage them
- iii. **Levels of education and skills**-Relevant and appropriate knowledge and skills are necessary if the business has to succeed. These are acquired through education, training or experience.
- iv. **Availability of markets**-Adequate markets encourages existing entrepreneurs to continue producing and also encourage/attract new ones to venture into business.
- v. **Availability of resources**-Appropriate resources are necessary for starting and smooth running of a business. These resources include physical, human, capital and technology.
- vi. **Cultural and social beliefs and attitudes**-These are norms, values and beliefs of a given community. Culture helps determine the kind of goods and services that people consume. This in turn, dictates the type of businesses to be established in such communities. e.g. Muslims do not take pork therefore businesses selling pork will not do well in such communities.
- vii. **Competition**-Businesses will do well if they are able to compete favourably. Others will avoid competition by either closing businesses where there is no competition.
- viii. **Political stability**-Political stability gives a conducive atmosphere for businesses to start and thrive on the other hand, where there is no political instability, businesses may not do well and entrepreneurs may close down businesses or new ones may not come up.
- ix. **Natural factors**-natural factors such as rainfall, temperatures, earthquakes, pests, drought e.t.c may influence the type of businesses that are carried out in an area, especially agricultural businesses.
- x. **Presence of role models in the society**-The presence of successful entrepreneurs acts as an encouragement to aspiring entrepreneurs.

Causes of Business success

A business is considered as being successful if it makes consistent profit and experiences progressive growth in the scale of its operations.

Some of the factors that lead to the success of business may include;

- (i) **Right choice of business**-A good business opportunity needs to be evaluated on the basis of ability to capture many customers, make reasonable profit for the