

Chapter 2: Entrepreneurship and small business management

Entrepreneurship: the process of creating and building something of value from practically nothing in the midst of uncertainty and risk.

Creativity: refers to the ability to produce new and original ideas and things in order to solve a problem.

Innovation: the use of a new idea to develop a better product, service, process or technique.

Small business: a separate and distinct entity owned by one or more people predominantly carried on in any sector of the economy which can be classified as a micro-, a very small, a small or a medium enterprise.

Franchisor: the person/organisation which lends its trademarks, trade name, or business system to the franchisee.

Franchisee: the person/organisation who pays a royalty and an initial fee to the franchisor for the right to use its trademarks, trade name and business system.

Business plan: a plan of action that sets out every imaginable aspect of the planned establishment of the enterprise.

Sole trader/proprietorship: a form of business ownership in which the business is owned by one person.

Partnership: a form of business ownership consisting of a group of people working together as partners for the purpose of making a profit.

Company: a form of business ownership incorporated in terms of the Companies Act No. 71 of 2008.

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