

What skills do entrepreneurs really need?

 By [Abram Molelemane](#)

31 Oct 2012

A great idea and the necessary resources to start a business are no guarantee of success. So many have had a sound idea and have executed it passionately and into the right market, but still found themselves as one of the nine out of ten small businesses that fail. What could have gone wrong?

In most cases, organisations go out of business when they fail to achieve sufficient profit, which requires selling enough products or services to cover costs. As much as this is the most obvious cause of business failure, there are many other factors that can cause a business to fail, and a lack of entrepreneurial skills is one of the most pervasive of these, especially in SA.

According to David Mashamba, chief executive officer of Business Skills South Africa (BSSA), the lack of practical business management skills in SA truly is a huge problem - especially when it relates to previously disadvantaged individuals.

"There is no way someone can succeed in the world of business without the relevant business management skills," explains Mashamba, pointing out that entrepreneurs should also have marketing skills if they want to build successful enterprises that can stand the test of time.

With the advent of social media the business world has become even more competitive, which means that as an entrepreneur you really need the right skills set, both generally and also relating to the type of business into which you decide to venture.

There are five skills that experienced senior writer, Lyve Alexis Pleshette, at PowerHomeBiz.com stresses as non-negotiable to entrepreneurial success:

- **Sales and marketing skills:** A business is nothing if it has no customers. You may have technical savvy and the fanciest computer with the latest graphics software, but if no one is knocking at your door to hire you as a graphic designer, then you better rethink why you are in business in the first place.
- **Financial skills:** You are in business to make money. Therefore, the most important skill you must have is the ability to handle money well. This includes knowing how to stretch the limited start-up capital that you have, spending only when needed and making do with the equipment and supplies that you currently have. You also need to identify the best pricing structure for your business in order to get the best return for your products or services.

- **Negotiating skills:** The ability to *negotiate effectively* is unquestionably a skill that every home business owner must make every effort to master. It's perhaps second in importance only to asking for the sale in terms of small business musts. In business, negotiation skills are used daily. Always remember that mastering the art of negotiation means that your skills are so finely tuned that you can always orchestrate a win-win situation. These win-win arrangements mean that everyone involved feels they have won, which is really the basis for building long-term and profitable business relationships.
- **Time management skills:** The ability to plan your day and manage time is particularly important for an entrepreneur. When you wake up in the morning, you must have a clear idea of the things you must do for the day. Especially if you are running a one-person operation, you must have the ability to multi-task - be the secretary at the start of the day, typing all correspondences and emails, become the marketing man writing press releases before noon, make sales call in the afternoon, and become a bookkeeper before your closing hours....no wonder many if not most entrepreneurs have no social life to speak of!
- **Administration skills:** In addition to the tasks of managing, marketing and planning your business, you also need to possess a fair amount of administration skills until such time as you can employ someone to do this for you. You need to file your receipts so tax time will not be a trip to Hades. You need to do all the work in terms of billing, printing invoices, collecting payments, and managing your receivables.

Luckily, in South Africa there are a number of business development and support organisations ready to assist emerging entrepreneurs to develop their skills, and some innovative products out there that make the administrative and financial side far easier to manage.

I work for an organisation called [Fetola](#), which is a specialist Enterprise Development, Corporate Social Investment and Skills Training organisation with a focus on supporting SMMEs and emerging entrepreneurs. Many of our programmes are designed to help entrepreneurs gain skills without having to spend too much time away from their businesses, which is crucial when one is stretched in terms of resources.

Another great tool is SMEasy, an online financial management system that helps keep track of all income and expenses in a very user-friendly way and at minimal cost - see www.smeasy.co.za.

It won't be easy, but...

Starting a business is never easy, even if you have all the passion and determination in the world. However these basic skills listed above, at least, will give you a greater chance of seeing your business grow and prosper into the one out of ten that survive the first three years. What happens after that is up to you!

Find out more about some of the important skills entrepreneurs should have via the following links:

- www.wahm.com
- www.blogtrepreneur.com
- www.entrepreneur.com.

ABOUT ABRAM MOLELEMANE

Abram Molelemane is a journalism graduate at the Tshwane University of Technology. In 2011 he was nominated for the Record print journalist of the year award. He is currently employed as the media officer at Fetola.

▀ Use media to boost your business - 5 Jul 2013

▀ What skills do entrepreneurs really need? - 31 Oct 2012

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>