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INDUSTRIAL ARTS: AUTOMOTIVE (ENTREPRENEURSHIP) Learner's Material

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We value your feedback and recommendations.

**Department of Education
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PERSONAL ENTREPRENEURIAL COMPETENCIES (PECs)

WHAT TO KNOW

Important Entrepreneurial Traits

Successful entrepreneurs have certain characteristics and traits that enable them to establish and stabilize their own businesses.

The following are some of the fundamental characteristics of an entrepreneur:

I. **Builds on strengths.**

Successful business people take advantage of their strengths. They utilize their interpersonal and technical skills, knowledge on product and service creation, experience in trade and industry, wide network and connections in establishing and stabilizing their own businesses.

II. **Copes with failure**

As the saying goes, “Learn from your mistakes”, an entrepreneur knows how to deal with frustrations and failures. He or she takes these as challenges and productive learning experiences.

III. **Copes with uncertainty.**

An entrepreneur must learn how to prepare and handle uncertain events that his or her business may encounter. Future business problems include issues on managing workers, delivery of goods and services, demand and production concerns as well as competitor problems.

IV. **Committed.**

In handling a business, personal needs and social attachment to family and friends are taken separately. Funds allotted to the business must be separated from funds allotted for personal expenditures and obligations. A successful entrepreneur is committed to do whatever it takes to grow his or her business.

V. **Goal-Oriented.**

Building a stable business and acquiring profits from it may take several years. Long-term goals must be set and appropriate strategic plans must be created in order to successfully overcome the business challenges that may arise in the future. An entrepreneur must be forward-looking and determined to achieve his or her goals and objectives.

VI. **Hard working.**

Running your own business requires hardwork and focus. Business success depends on how much time and effort is spent on it.

VII. **Persistent.**

There are instances that an entrepreneur faces challenges brought about by competitors, and by differences in other people's opinion and judgment. An entrepreneur must be firm, strong-willed and determined to keep his or her principles and reach his or her goals despite all existing challenges and hindrances.

VIII. **Profit-oriented.**

Entering into a business obviously shows one's desire to acquire income. Therefore, an entrepreneur must ensure that his or her business generates profits, and whenever it does not, he or she must implement appropriate actions and solutions.

IX. **Reliable and has integrity.**

An entrepreneur must build a good reputation. He or she must possess the courage to do the right thing and, must be loyal and fair as they deal with subordinates and customers.

X. **Responds to feedback or open to feedback.**

Feedback is important to a business especially during its start-up stage. An entrepreneur must be open to the reality and current status or performance of the business. He or she must obtain useful feedback from different sources to properly address the idssues of the business.

XI. **Self- confidence.**

An entrepreneur must have strong faith in his or her own ability. He or she must always believe that whatever problem the business may encounter, he or she can surpass it.

XII. **Sets own standards.**

In order to become successful in the field of business, an entrepreneur must develop a logical, step-by-step plan. This will assist him or her in reaching its goals, monitoring its progress, creating evaluation techniques and consistently meeting set standards.

XIII. **Takes the initiative.**

A successful entrepreneur does not fear taking the initiative and responsibility. He or she accepts the consequences that each decision brings, whether it may be a success or failure to the business.

XIV. **Willing to listen.**

Taking time to listen to the advice, suggestions and recommendations of fellow businessmen will help your own business to grow further and able to anticipate future challenges that have already been encountered by other businesses.

XV. Risk-Taker.

The higher the risk, the higher the return. Most of the times, greater business opportunities come with greater risk. A successful entrepreneur knows how to take calculated risks in order to gain profits. He or she must be ready to face the challenges associated with every opportunity since risk may result to loss or even bankruptcy.

WHAT TO PROCESS

Direction: Answer the following questions. Write your answers in your activity notebook.

1. Why is it necessary to compare your personal characteristics, attributes, lifestyles, skills and traits to the personal entrepreneurial competencies of a successful entrepreneur?
2. Why is there a need to assess your personal characteristics, attributes, lifestyles, skills and traits?
3. What are the personal entrepreneurial competencies of a successful entrepreneur?

Aligning one’s PECs

Directions: From the list below, choose the characteristics and traits that best describe your own personal entrepreneurial characteristics (PECs). Find ways on how to align them according to the personal entrepreneurial characteristics of a successful entrepreneur which were discussed earlier. Write your answers in the activity sheet provided.

Creative	Resourceful	Persistent	Organized	Independent
Confident	Risk taker	Observant	Competent	Trustworthy
Optimistic	Passionate	Flexible	Sensitive	Committed
Dynamic	Efficient	Hardworking	Decision-maker	Reliable
Knowledgeable	Persevering	Decisive	Strong-minded	Courteous

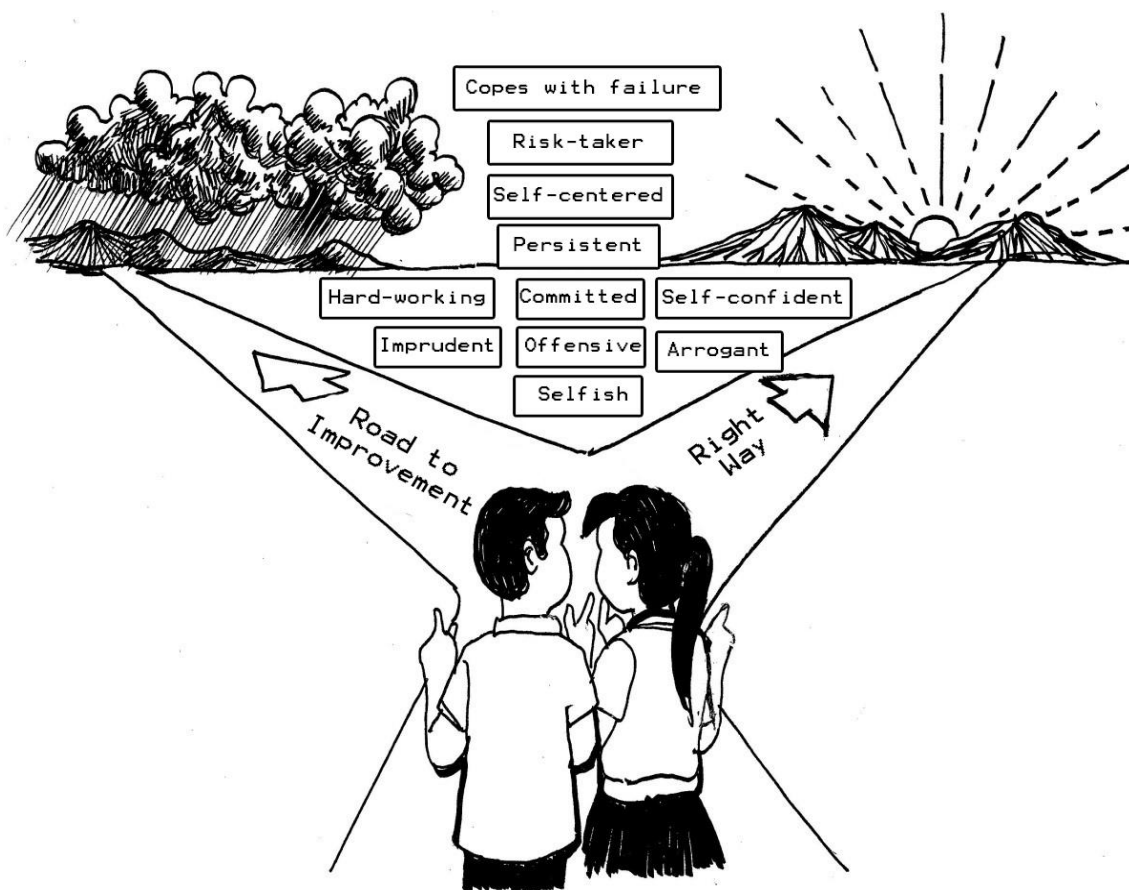
Complete the table below by identifying the definition of each PEC and the different ways of aligning them with those of a successful entrepreneur.

Example: My PECs

My PECs	My simple definition	Things to do to align with PECs of a successful entrepreneur
1. Creative		
2. Organized		
3. Competent		
4. Observant		

Distinguishing PECs that Need Further Improvement

Directions: At the center of the street are arrows that indicate positive and negative characteristics. Identify the positive PECs that you already possess and write them on the blank arrows at the left side. On the other side, write the negative characteristics that you need to further improve





WHAT TO REFLECT ON AND UNDERSTAND

Strengthening Your Identified PECs

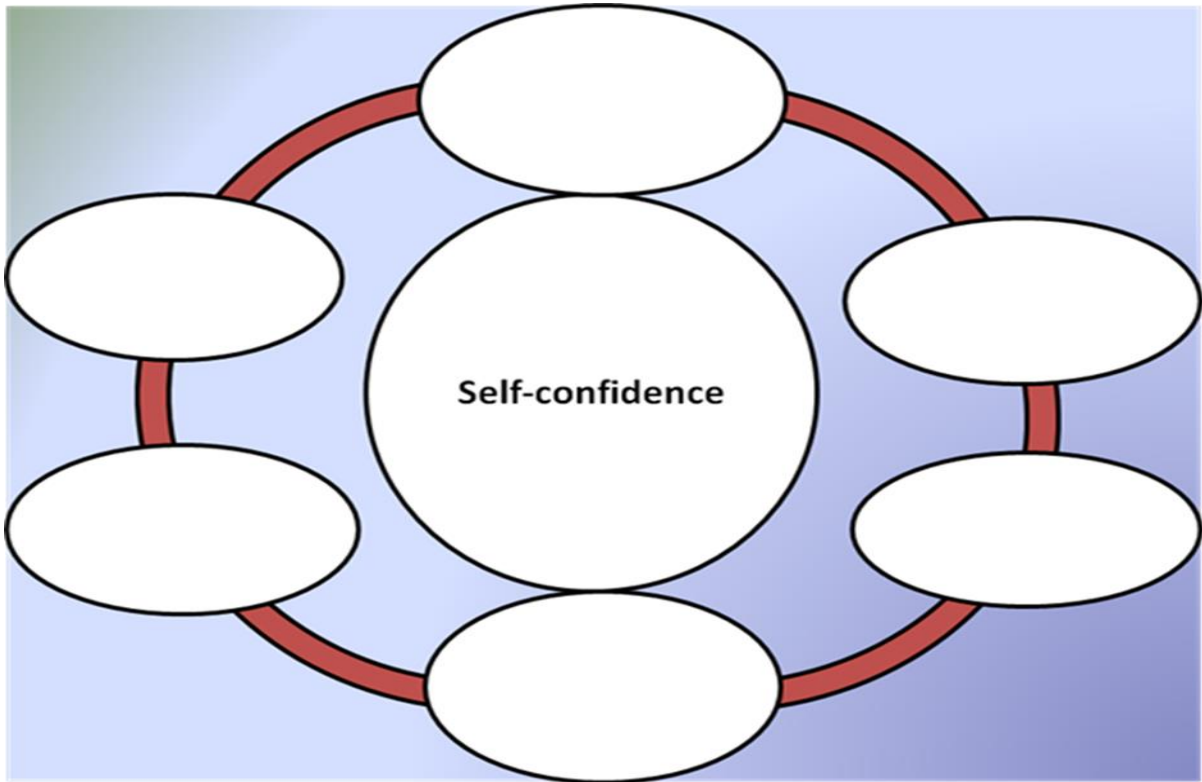
The following are the guidelines on how to strengthen one's PECs:

1. Be open to feedback and react positively to criticisms.
2. Always demonstrate positive attitude to achieve a desired goal.
3. Always project strong and well-balanced behavior.
4. Always exercise the assertive style in your work environment.
5. Avoid being too passive and too aggressive.
6. Learn to rioritize business goals by handling personal issues separately.
7. Acquire specific skills that will help in creating and maintaining Conducive work environment.
8. Be responsible to every decision or action made for the business.
9. Observe good business ethics in establishing and managing the business.

Ways on Improving my PECs

Directions: Identify the PEC that you think you still need to improve or strengthen. Write this on the circle at the center and give six ways on how you can improve it. Write these ways on the oval figures around the circle.

Example: Self-confidence



WHAT TO TRANSFER

Preparation of an Action Plan

Culminating Activity

Directions: Examine yourself once again and identify the PECs that you think you still need to improve or strengthen. List them on your paper and create action plans that will help in developing these PECs. A suggested format is provided in the next page.

Sample Action Plan

Specific Purpose Statement: (<i>Your vision of your future</i>)						
Ex. Develop self-confidence in handling a retail business.						
Focus Area	Current Situation	Goal	Measures of Success	Actions Required	Time Frame	Reward or Recognition
My PECs	I need to further develop my undefined	• To utilize my own PECs in producing	Achieve 100% completion of	• Sell finished products that	Through out the duration	Earns the desired income and

Specific Purpose Statement: (<i>Your vision of your future</i>)						
Ex. Develop self-confidence in handling a retail business.						
Focus Area	Current Situation	Goal	Measures of Success	Actions Required	Time Frame	Reward or Recognition
	characteristics that might be useful for my retail business. These are the following: _____ _____ _____ _____	and selling products and services. • To become proficient in my chosen skill and competent in the field I chose to pursue	the development of the listed PECs that I need to further develop through experience in selling and producing products and services, and dealing with different people.	were derived through the culminating activities performed. • Participate in skills competitions sponsored by the government and NGOs	of the course	develops the desired skills and experiences

Post-Assessment

Matching Type

Directions: Match each characteristic in column A with its appropriate definition in column B. Connect the terms by drawing a line from column A to column B.

Column A	Column B
1. Profit-oriented 2. Risk-taker 3. Persistent	a. Ability to set realistic targets. b. Interest in money generation. c. To succeed, one must believe in one's self. d. Working diligently and industriously.

Column A	Column B
4. Committed 5. Reliable and has integrity 6. Goal-oriented 7. Hardworking 8. Responds to feedback 9. Self-confident 10. Willing to listen	e. Being able to listen to the advice of others. f. Obtaining useful feedback and advice from others. g. Being patient and strives to achieve the goal. h. Ability to take measured or calculated risks. i. Being honest, fair and trustworthy. j. Aware of the major priority in the entrepreneur's life.

ENVIRONMENT AND MARKET

WHAT TO KNOW

Needs and Wants of People

Every individual has his or her own needs and wants. However, people have different perspectives regarding needs and wants. Needs are things that a person must have in order to survive or live life conveniently. These include:

1. Basic commodities for consumption
2. Clothing and other personal belongings,
3. Shelter, sanitation and health
4. Education and relaxation

Basic needs are essential to every individual so he or she may be able to live with dignity and pride. Focusing on these needs can obviously help you generate ideas for a potential business.

Wants, on the other hand are the desires, luxury and extravagance that a person wishes to have. These signify wealth and expensive way of living. The following are examples of people's wants: non- basic needs such as; fashion accessories, designer shoes and clothes, travelling around the world, eating in an exclusive restaurant; watching movies, concerts or plays, having luxurious cars, wearing expensive jewelry, perfume, living in impressive homes, and others.

Focusing on the needs and wants of people can help generate successful business ideas. Other factors that can be considered are the characteristic of people, their lifestyle, culture and tradition, and social orientation.

Generating ideas for business

Here are some ways by which you may generate possible ideas for business.

- I. **Examine existing goods and services.** Are you satisfied with the product? What do other people who use the product say about it? How can it be improved? There are many ways of improving a product, it may be from the way it is made to the way it is packed and sold. You can also improve the materials used in crafting the product. Moreover, you can also introduce new ways of using the product and making it more useful and more adaptable to customers needs. When a product is improved, or enhanced, an *innovation* takes place. However, if an entirely new product is introduced, an *invention* takes place.

Business ideas can also be obtained by examining the goods and services sold outside the community. Very often, these products can still be enhanced or improved.

- II. **Determine the present and future needs.** Examine the goods and services that are missing in a certain community or institution. Some needs are already apparent and shortage is experienced at the moment. Other needs are not obvious and can only be determined if future is examined. For instance, a town with no electricity will soon be installed with an energy-generating facility. In this case, an entrepreneur may be thinking of establishing businesses that use electricity such as photocopier, computer service, digital printing, etc.
- III. **Examine how the needs are being satisfied.** The need for different products and services are referred to as market demand. In order to satisfy these needs, supply is required to meet the demands of the market. The term market refers to whoever will use or buy the products or service, and these may be people or institutions such as other businesses, establishments, organizations, or government agencies.

Businesses or industries in the locality also have needs for goods and services. Their needs for raw materials, maintenance, and other services such as selling and distribution are good sources of business ideas.

- IV. **Examine the available resources around you.** Observe what materials or skills are available and abundant in your area. A business can be started from selling available raw materials or by transforming these into finished products. For example in an area where jeepneys or tricycles are abundant, you may put a car washing business or a vulcanizing shop.

Business ideas can come from your own skills. The work and experience you may have in agricultural arts, industrial arts, home economics, and ICT classes will provide you with business opportunities that will help in acquiring the needed skills and provide you with extra income. With your skills, you may also tinker around with various things in your spare time. Many products were invented this way.

- V. **Read magazines, news articles, and other publications on new products and techniques or advances in technology.** You can pick up new business ideas from Newsweek, Reader's Digest, Business Magazines, Go Negosyo, KAB materials, Small- industry Journal. The Internet serves as a library where you can browse and surf on possible business opportunities. It will also guide you on how to put the right product in the right place, at the right price, at the right time.

Listing of possible businesses to set up in an area may also be available from banks or local non-government organizations.

Selecting the Right Idea

Once you have embarked on identifying different business opportunities, you will eventually see that there are many possibilities that are available for you. It is very unlikely that you will have enough resources to pursue all of them at once. Which one will you choose?

You have to select the most promising among hundreds of ideas. It will be good to do this in stages. In the first stage, you will have to screen your ideas and narrow them down to about five choices. In the next stage, trim down the five choices to two options. In the final stage, choose between the two and decide which business idea is worth pursuing.

In screening your ideas, examine each one in terms of the following factors:

1. How much capital is needed to put up the business?
2. How big is the demand for the product? Do many people need this product and will continue to need it for a long time?
3. How is the demand met? Who are producing the products to meet the need (demand)? How much of the need is now being met (current supply)?
4. Do you have the background and experience needed to run this particular business?
5. Will the business be legal, not going against any existing or foreseeable government regulation?
6. Is the business in line with your interest and expertise?

Your answers to these questions will be helpful in screening which ones from among your many ideas are worth examining further and worth pursuing.

Environmental Scanning

There is a need to conduct environmental scanning to identify the needs and wants of people, the niche for your business mission, and to give attention to

trends and issues. This may also serve as an evaluation of the type of the entrepreneurial activity appropriate in the community.

Environmental scanning is defined as a process of gathering, analyzing, and dispensing information for tactical or strategic purposes. The environmental scanning process entails obtaining both factual and subjective information on the business environments in which a company is operating.

As a future entrepreneur, you must be well-versed with each kind of advancement and progress in your environment particularly about technology so as to secure the success of your business. Always think of something new, novel and authentic; reinvent the existing ones, and create your new version of goods or products, and services. For instance, your own car wash offers 20% discount and only uses environment friendly chemicals for cleaning, while the other shops do not. This kind of changes or innovations can affect the existing principles in the business and industry that can also be easily adapted and utilized in producing the products and services that meet the needs and wants of people in the community.



WHAT TO PROCESS

- How does one determines and delivers the product or services to be offered to the target market or customers in a particular community?
- How does one select an entrepreneurial activity?
- How can one respond effectively to a business or enterprise?



WHAT TO RELECT ON AND UNDERSTAND

In generating business idea, you should first identify what type of business is suited to your idea. You should analyze and scan the environment, study the marketing practices and strategies of your competitors, and analyze the **Strengths, Weaknesses, Opportunities** and the **Threats** (SWOT) in your environment, to ensure that the products and services you are planning to offer will be patronized by your target market or consumers.

Bear in mind these simple rules for an effective SWOT analysis.

- Be realistic about the strengths and weaknesses of your business when conducting **SWOT** analysis.
- SWOT analysis should distinguish where your business is today, and where it could be in the future.
- SWOT should always be specific. Avoid any grey areas.
- Always apply SWOT in relation to your competition i.e. better than or worse than your competition.
- Keep your SWOT short and simple. Avoid complexity and over analysis
- SWOT is subjective.

People keep on searching for new things, new trends, and new issues. For these reasons, an entrepreneur quickly responds to these needs and wants of people.

As generations come and go, another set of new trends will come and exist. In order to adapt to the rapid changes in the business environment, the existing industries need to continuously improve their products and services. But how can you generate business ideas with those strong competitors? There are three main

sets of decisions that you need to make - *what to produce, how to produce, and how to share or sell the product to the market.*

Mini survey

Directions: Conduct a mini survey in your immediate community. Gather pertinent data on population across age brackets as suggested in the matrix below. Opposite each age group, indicate their probable needs and wants.

Age Bracket	Population	Needs	Wants
Example: 5 and below	35	Car wax, car polish, air freshener, etc.	Clean tricycles, jeepneys, taxi
6- 10 years old			
11-15 years old			
16-20 years old			
21-25 years old			
26-35 years old			
35-45 years old			
46-55 years old			
56-65 years old			
66 and above			

Screening business ideas

Directions: After filling out the chart above, try to list down all the probable business opportunities which you may wish to venture in. Remember to consider the ideas and suggestions discussed. Write your answers in your notebook. Use the suggested matrix below to indicate your choice. Write your answers in your notebook.

Example: Wooden toys

Positive Factors		Negative Factors	
Strengths	Opportunities	Weaknesses	Threats