

How successful entrepreneurs overcame mistakes that threatened their demise

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**Submitted in partial fulfillment of the requirements for the degree of
Masters of Business Administration**


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University of KWAZULU-NATAL**

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February : 2017

DECLARATION

I hereby declare that this work submitted for assessment is my own work. Works of other authors in any form has been properly acknowledged at their point of use. A list of all the references utilised is included. I confirm that this work has not been submitted in any other institution for any other purpose.

Signed : 

Date : 06 - 03 - 2017

ACKNOWLEDGEMENTS

My research process would not have been a success without the contribution from the following people:

- Professor Elias Munapo, for his supervision, guidance throughout the process and ensuring that I succeed in my task.
- Mr Alec Bozas, my mentor, for his proficiency, guidance and assistance.
- Mr Joseph Shabalala for his contribution with editing my work.
- Mrs Monica Naidoo for her contribution with editing my work.
- Ms Jenifer Upton at Mancosa Data Analysis Unit (DAU) for assisting
- My deepest gratitude to all the staff members at the Graduate School of Business & Leadership for their support.
- University of KwaZulu-Natal, Graduate School of Business & Leadership for a lifetime opportunity.
- MBA Class of 2017, for the powerful two and half years of learning experience together.
- The research participants for the time spent and availing themselves to engage with me.
- My wife and friend, Nonkanyiso Mkhwanazi for allowing me to dream. Thank you for your support, love and encouragement. Without her, I would not have completed this project.
- My love goes to Lindelwa and Ngiphiwe, my daughters and pillars of strength for believing in Daddy as well as Snehlanhla Mkhize for supporting and encouraging me.
- Most of all I acknowledge the Almighty, Sovereign God – the Father of all good gifts for His presence at all times, through and beyond this project.

ABSTRACT

The study focused on business mistakes and how these influenced future decision making of the successful entrepreneurs. The study gave particular attention to mistakes made by entrepreneurs interviewed by the researcher as well as other literature which also highlighted mistakes made by entrepreneurs and other related matters. Entrepreneurship is a tough field which requires an individual to be well versed and savvy on a number of different fields. Entrepreneurs are at the helm of their businesses and their decisions are final and binding. Insights into the entrepreneurial traits will be explored further. The research aims to address the issue of repetition of mistakes and non-sharing of lessons learned. The research aims to develop a good tool, knowledge base and theoretical sounding board to those who want to enter the business world. The qualitative research approach was adopted and interviews were used as a research instrument for collecting data. The study was undertaken on entrepreneurs owning single and or multiple business within certain parts of KwaZulu-Natal. Education and business support were amongst clear findings from the study. As a recommendation, incorporating entrepreneurship into the school curriculum would not only enhance but also accelerate entrepreneurship in South Africa. Policy and regulation need to encourage as well as create a conducive environment for entrepreneurship.

ACRONYMS

BMF	BLACK MANAGEMENT FORUM
BWA	BUSINESS WOMEN ASSOCIATION
BNI	BUSINESS NETWORKING INITIATIVES
DTI	DEPARTMENT OF TRADE AND INDUSTRY
GEM	GLOBAL ENTREPRENEURSHIP MONITOR
IT	INFORMATION TECHNOLOGY
MBA	MASTERS IN BUSINESS ADMINISTRATION
NDP	NATIONAL DEVELOPMENT PLAN
SWOT	STRENGTH WEAKNESSES OPPORTUNITIES THREATS
TEA	TRENDS IN ENTREPRENEURIAL ACTIVITY
TV	TELEVISION
TVET	TECHNICAL VOCATIONAL EDUCATION AND TRAINING

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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE RESEARCH

1.1 INTRODUCTION

Entrepreneurship is at the cornerstone of every economy. It is what builds nations and it is pivotal not only to the survival but to the sustainability of the economy. The wealthier and more developed nations tend to have a high spirit of entrepreneurship. According to the global entrepreneurship monitor 2015, South Africa has a low level of entrepreneurs' activities despite the high level of unemployment. Total entrepreneurial activity is at a low 10.9%, perceived opportunities are 38% and fear of failure is at 25%. Even more alarming is that there are more business discontinuance than start-ups, this results in net loss of small business activity and subsequently job losses. According to the global entrepreneurship monitor 2015, South Africa's discontinuation of businesses is 4.8% of the population age between 18 to 64 years. This trend ultimately results in increased unemployment.

This research draws lessons from successful entrepreneurs. The research zooms into typical mistakes and lessons that the entrepreneurs interviewed experienced in their entrepreneurial journey. As per global entrepreneur monitor 2015, South Africa has high discontinuance rate of businesses and this research will assist to close this gap by availing invaluable information to aspiring entrepreneurs.

This chapter lays the foundation on the research topic and will extend the motivation for the need as well as the importance of this topic. This chapter deliberates on the problem statement, aim of study, research objectives, research questions, significance of study and limitation of study.

According to (Cope 2010), he proposed that "recovery and re-emergence from failure is a function of a distinctive learning process that fosters a range of higher level-learning outcomes.

1.2 PROBLEM STATEMENT

Entrepreneurs in their endeavors to establish their businesses make mistakes along the way and these mistakes can often result in the closure of the business. This research aims to magnify the invaluable contribution of the mistakes made by successful entrepreneurs in their respective journeys and how these mistakes ultimately made them succeed. Furthermore, this research shows how lessons learned from failure can be turned into success.

1.3 JUSTIFICATION OF THE STUDY

Successful entrepreneurs are experts in their respectful fields. They command respect and they provide a body of knowledge. Entrepreneurs have a blind spot, they may have great ideas attached to a product or service, but his or her blind enthusiasm can override the realities of the commercial world. Glenn Baker in his article for the lead feature magazine titled “Ten biggest mistakes entrepreneurs make and how to avoid them” he features 10 entrepreneurs from New Zealand who tell their stories about the mistakes they made through their respective journey’s to success. Baker’s article and this research proposal will create more awareness of the mistakes made by business owners so that any aspiring entrepreneur can avoid them.

Mistakes are made by entrepreneurs globally and yet many succeed in spite of these mistakes. It is against this background that the research into this topic was undertaken. Furthermore, this research has hints of global, continental and local views making it useful to aspiring entrepreneurs, Department of Trade and Industry, policy makers both locally, provincially and nationally, the Ministry of Small Business can also benefit a great deal from this study.

1.4 AIM OF THE STUDY

The purpose of the study is to describe how the mistakes made by successful entrepreneurs nearly crippled their success and to draw lessons for the aspiring entrepreneurs.

1.5 STRUCTURE OF DISSERTATION

This dissertation is arranged into six main chapters as follows:

Chapter One: This chapter covers the brief description of the study undertaken. It is the main positioning of the study covering the problem statement, justification of the study, aim of the study, research objectives, research questions, significance of the study, scope of the study and limitations of the study.

Chapter Two: This chapter covers the main literature review. This is the theoretic aspects of the study and examines the existing literature. A range of topics are discussed which all look into addressing the research objectives and research questions.

Chapter Three: In this chapter, the methodology used in the study is presented. The main discussions are research application and design, research settings, the study population and sampling, the sampling criteria, data collection method, reliability and validity.

Chapter Four: This chapter presents the results of the analysis of the data extracted from the responses to the research questionnaires. The questionnaire was the only tool used to collect data from entrepreneurs selected. The data was obtained from the respondents was analysed using NVIVO 10 and themes were extracted using inductive coding. Thematic analysis approach was used which uses Word Clouds and Frequently Used Words.

Chapter Five: In this chapter, results were discussed and themes defined were discussed further and linked to the literature review in chapter two. Linking of the results to the literature was useful to the validation of the conclusion and recommendations.

Chapter Six: This is the final chapter and presents findings of the study, conclusion is drawn from the study and finally recommendations identified. Furthermore, the chapter looks into whether the data answered the research questions, recommendations based on research objectives and area of further research.

1.6 RESEARCH OBJECTIVES

- ✓ Establish a relationship between a mistake made by an entrepreneur and the success of that particular entrepreneur.
- ✓ How successful entrepreneurs are able to convert mistakes into successes.
- ✓ Draw a list of lessons that can be learned by aspiring entrepreneurs from the near demise mistakes made by successful entrepreneurs.

1.7 RESEARCH QUESTIONS

- ✚ Why do entrepreneurs make mistakes?
- ✚ How are successful entrepreneurs able to turn their misfortunes into fortunes?
- ✚ Are there lessons to be learned by aspiring entrepreneurs from mistakes made by successful entrepreneurs?

1.8 SIGNIFICANCE OF THE STUDY

The findings of this study will rebound to the benefits of knowing how successful entrepreneurs overcame mistakes that almost crippled them. These lessons learned can be a useful guide to future aspirant entrepreneurs. How these mistakes shaped their future and contributed to decision making. The greater demand for better understanding of the entrepreneurial sphere justifies the need for more effective, life-changing sharing of wisdom by the successful entrepreneurs. Thus, any entrepreneur that apply the recommended approach derived from the results of this study will be better positioned for success and dealing with future business challenges as well as being better decision makers going forward. Business schools, Zululand Chamber of Commerce and Industry, Business Women's Association, local municipalities and financial institutions are better guided when dealing with entrepreneurs. For business schools, the study helps uncover critical areas in the educational process that many researchers were not able to explore. Thus the new

theory on how successful entrepreneurs are able to overcome mistakes that threatened their demise.

1.9 SCOPE OF THE STUDY

This study focuses on how successful entrepreneurs overcame the mistakes that threatened their demise. Market analysis has been carried out regionally with some successful global entrepreneurs cited.

1.10 LIMITATIONS OF THE STUDY

Limitations in any study may arise from many sources which encompass the population, sample, research methods etc. Only 17 entrepreneurs with KwaZulu-Natal were interviewed and this may not necessarily be a correct reflection of the SME's in this province.

The study is based on what entrepreneurs are willing to openly share. In this regard, entrepreneurs may not be willing to share some personal insights which may be personally embarrassing and could be offensive. Furthermore, psychological reasons maybe more difficult to ascertain and test their impact on the decision making process of the entrepreneur.

There is no yardstick for measuring success, this is very subjective and is influenced by the researchers opinion. The research objectives may limit the research by framing it to a particular direction. This can also be said to be true for the research questions. The researchers' frame of mind and cognitive bias can influence the study and pose a significant limitation. The research bias towards the research topic can be a limiting factor on the research itself.

1.11 CONCLUSION

Chapter 1 has covered the contents of the study and has stated the problem being researched within the context of the objectives. Chapter two concerns the literature review of pertinent material relating to the title of this research. In the chapter that follows the literature review is discussed.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter presents literature that is recent and relevant to the title, problem statement and to the objectives. This chapter examines the work of various authors, extracts of journals, reports on studies conducted and various scholarly work on success and failure of entrepreneurs. The literature reviewed covers a wide range of topics on entrepreneurship and other aspects related to entrepreneurship.

Notwithstanding the enormous investment of money and effort, there seems to be some stability in the failure rate of starting entrepreneurs. Although there is an increase a number of entrepreneurs globally, young entrepreneurs still find themselves destitute and traumatized of failure. The purpose of this research was to explore some of the causes of negative entrepreneurial results in order to find probable prevention interventions to assist aspirant entrepreneurs. Entrepreneurship requires dynamics and diversity on education of entrepreneurs, according to (Gibb 2002). This philosophy is also shared by (Walter & Dohse 2012) when they contend that education methods as dynamic genres, they are positively inducing entrepreneurial education.

2.2 ECONOMIC OVERVIEW AND SOUTH AFRICAN LANDSCAPE

The South African society has three fundamental challenges which are poverty, unemployment and inequality. These are also highlighted in the National Development Plan. According to the 3rd quarter of 2016 employment results released by Statistics South Africa (Stats SA), unemployment rose from 26.4% to 27.1% and the expanded unemployment rate decreased by 0.1% from quarter to quarter to 36.3%. Official unemployment rate in KwaZulu-Natal is 23.5% whilst the expanded unemployment rate is 40.4%. The same quarter under review shows that 30.6% youth aged between 15-24 years were unemployed and more than 50% female

between the ages of 15 and 24 years are unemployed. 57.9% white women were employed in skilled occupation compared to 18.6% black women. 43% black female were employed in low skilled occupation. 47.3% of employed white population and 29.7% employed of Indian population have a tertiary qualification, while the share of the employed with tertiary qualification among black African and coloured population were only 26.2% and 13.3% respectively. More than 50% of employed black African and coloured population had education level of less than matric as per 3rd quarter 2016 employment results released by Statistics South Africa. These statistics are alarming when one tries to contextualize them in line with South African societal needs and its challenges.

According to the Global Entrepreneurship Monitor (GEM) report for 2015-2016 for South Africa, it confirmed the country's persistent low levels of entrepreneurial activities. Entrepreneurial intentions in South Africa have dropped drastically reflecting 30% lower (15.4% to 10.9%) compared to 2013. South Africa had one of the lowest established business rates, 53rd out of the 60 countries which participated in GEM 2014 report. In 2015, only two-thirds of entrepreneurs in South Africa were opportunity driven, the lowest score since 2011. Poor economic climate and chronically high unemployment in recent years are considered to be impacting considerably. The 2015-2016 GEM report further states that South Africans aged between 25 and 44 are the most entrepreneurially active, accounting for between 50% and 60% of early-stage activity. On the other hand, there is less entrepreneurial activity between the ages of 18 to 24 years. According to the report and is of further concern, is the widening gender gap, 8 women were engaged in early-stage entrepreneurship for every 10 males.

The figures stated paints a bleak picture of South African entrepreneurship spirit. Sadly, if this does not change, then battle against the social ills of unemployment, poverty and inequality would never be defeated or eradicated because entrepreneurship is at the centre of every thriving economy according to Musa

Dlamini, interviewed on 4 August 2016. In spite of all these challenges, South Africa has, over the years,

produced world renowned entrepreneurs like Elon Musk, Mark Shuttleworth, Christo Wiese, Raymond Ackerman, late Anton Rupert, Patrice Motsepe, Tokyo Sexwale, late Sol Kerzner, Cyril Ramaphosa, Herman Mashaba, Ronnie Apteker, Irvine Bell to name a few.

In South Africa lack of integration of entrepreneurship into the school curriculum has been strongly criticized and is seen as another stumbling block in a country that is experiencing such low levels of entrepreneurship according to the Global Entrepreneurship Monitor. The Global Entrepreneur Monitor continues to state that many successful entrepreneurs and academics believe that teaching of entrepreneurship at an early phase of a child's development would assist to develop a strong interest in entrepreneurship as a career.

Being an entrepreneur should not be the last resort. Seapei Mafoyane says that "entrepreneurship as a culture needs to become more entrenched in South Africa. There is a misguided belief that one becomes an entrepreneur after having exhausted all their options of finding formal employment. Lack of adequate knowledge also means that aspiring entrepreneurs are exposed to the structures that are in place to foster their success." A positive approach is the one where an individual starts a business motivated by passion rather than circumstances. Main stream scholars have found that backing of an entrepreneur has a positive bearing on the development of entrepreneurship (Zalan & Lewis 2010) as well as (Raposo & do Paco 2011), furthermore it assists to reduce the risk of entrepreneurial failure.

According to Politis (2008), there is a strong link between the previous learning of an entrepreneur and the ability to cope with the future. Entrepreneurs experience is pivotal in dealing with the future, past experience shapes future behaviour. Politis (2005), argued that the entrepreneurs previous experience sharpens their ability to identify opportunities. Furthermore, habitual entrepreneurs, who are individuals engaged in multiple start-ups, have developed a problem solving ability and entrepreneurial mindset which enhances their ability to identify and exploit

opportunities. The skills, capability, preference and attitude can be seen as acquired experience that helps entrepreneurs succeed. Habitual entrepreneurs have a higher degree of skills in coping with liability of newness, they prefer effectual reasoning in new venture creation and largely show positive attitude towards failure as per (Politis 2005).

Essentially, start-ups entail venturing into the unknown. Seapei Mafoyane in his article highlights the importance of adequate support as well as devouring required resources to succeed. "Common sense will ensure that you never attempt a feat as courageous as jumping out of an aeroplane without a parachute, yet many entrepreneurs venture into the unknown with only hope to succeed. Business support is to an entrepreneur what a parachute is to a sky diver and without these two vital tools; both entrepreneur and skydiver will most likely be met by an untimely demise.

2.3 MISTAKES AND FAILURE

Failure represents an invaluable learning experience which entrepreneurs will never have the misfortune of engaging in. Failure is complex and difficult and yet so valuable. Entrepreneurs who have experienced failure are more prepared for trials and tribulations of the entrepreneurial journey according to Archibald Khanyile interviewed on 8 September 2016. He (Archibald Khanyile) further stated that there are beneficial and powerful lessons of failure that can give business owners revitalized awareness of their capabilities and a more rounded, more sophisticated knowledge base. Failure represents a repository of information and sounding board for decision making. The power of this knowledge base from failures must be recognized and used by policy-makers when devising programmes that are aimed at supporting entrepreneurial activity.

On the entrepreneurial journey, there are things that you learn through experience. Unfortunately, some you have to learn but there are some that you can avoid if you know what to look out for. Failure does not necessarily have to result in a business ending event, however it can be one useful step in the journey to create a business

and life you want as an entrepreneur. Kimanzi Constable sites 5 mistakes that successful entrepreneurs don't make twice. Successful entrepreneurs don't hesitate to raise their price. They don't blindly follow popular accepted advice. They don't give away their expertise for free. They don't give credence to the detractors and they don't lose focus.

Belle Berth Cooper writes about some biggest mistakes and lessons learned from 13 successful entrepreneurs. Hiten Shah, Co-founder of KISSmetrics admits that they spent \$1 000 000 on a company that never launched in (Cooper 2013). They build a world class web hosting company without understanding what the customer wants. This company never saw day or light.

Robin Chase, Co-founder of Zipcar admits to her company building the website and only asking their customers later about it in (Cooper 2013). Her company spent a lot of money on the website and software but never bothered to engage the customer.

Rand Fishkin, CEO of Moz and Co-founder of Inbound.org admits that his company focused on building "big bang" projects in (Cooper 2013). Such projects require many months of development without much visibility in sight. The company missed its deadline by more than a year which proved to be catastrophic.

Leo-Babauta, best-selling author admits to starting too late because he toiled on a job that he hated for an extended time in (Cooper 2013). Fear of failure and lack of belief in himself kept him away from doing what he loved.

Leo Laporte, founder of the TwiT Network admits to making a mistake of trying to do it all on his own in (Cooper 2013). He tried to be a Jack of all trades and fell short on finance, marketing and human resources. He found that he ended up trying to fight fires all the time and spent less time on the core business activities.

Time Ferriss – NYT best-selling author of 3 books found that committing to too cool project and opportunities is not a good idea in (Cooper 2013). If the projects do not excite you, better say no upfront.

Michael Hyatt – NYT best-selling author learned a hard lesson when his business grew beyond his ability to fund it in (Cooper 2013). His company was in a growth

phase but he didn't understand the difference between rapid growth and healthy growth. He borrowed money to fund growth but ended up losing it all when the business failed. He concludes that "I never let growth exceed my own ability to fund it. If I am tempted to seek outside funding, it is a sign of a flawed business model."

Neil Patel, Co-founder of KISSmetric admits to making a mistake of spreading himself too thin in (Cooper 2013). Once he focused his energy and time into one business, he was able to grow it faster than all previous ventures and beyond his own expectations.

Sandi Macpherson, Editor in chief, Quibb, admits to spending time building a product without understanding the market or the user in (Cooper 2013).

Dharmesh Shah, Co-founder and CTO of HubSpot, he admits to making a mistake of being a parallel entrepreneur in (Cooper 2013). Once he had successfully established his software company, he went after a new venture, only that it was not one venture at a time. He found himself heading two startups at the same time. Because of the time the two startups consumed, his software company team felt abandoned and the new start up team did not have enough fire down their belly. Startups require your focused attention

Derek Sivers, Founder of CD Baby admits to making a mistake of not protecting the company culture in (Cooper 2013). He failed to fire the rotten apple immediately and nip it in the bud. He allowed things that were against company culture to infiltrate themselves into the system and almost became a way of doing things.

Noa Kagan, Chief Sumo, AppSumo admits to making the mistake of putting himself before facebook by trying to be popular and showing his former employer that he was fine in (Cooper 2013). Having being fired from facebook, his social circle, his validation, identity and his all was tied to this company. He tried to draw attention by focusing on social activities that would draw attention to himself, this proved to be very expensive and fruitless

Jesse Jacobs, Founder, Samovar Tea Lounge, he learned the important lesson of having the right people on the team in (Cooper 2013). He discovered that it is worth

the extra effort to find the right investor, employee and vendors who believe in your dreams, your company's mission and passionately desire to contribute to it and not just to punch the clock or get their share of profits.

Ekanem & Wyer (2007), in their paper they focus on identifying why entrepreneurs previously failed, what they did when they started again and the difference in their approach to business the second time around and how the key lessons had been learnt from previous failures can improve their prospects of success in the future. The main findings from the 20 entrepreneurs surveyed revealed that "their mistakes and actions embedded in the development process and activities underpinning their first business venture attempt and are more successful second time around. The ability to learn by doing, problem-solving and opportunity-taking is important." Many failed entrepreneurs have shown that they learned from their mistakes from the failed venture and tend to perform better the second time around in terms of employment, productivity and income according to (Ekanem & Wyer 2007). Ekanem & Wyer (2007) further states that

entrepreneurs are motivated to start afresh because of their desire to make money, survival, preferred lifestyle and independence. Some reasons for failure centered around lack of finance, inadequate premises, poor location and lack of management abilities. What they did differently was to network extensively, offer better service, better communication and customer interface, doing more market research and developing market skills and more delegation.

2.4 EFFECTUAL THINKING

Venture creation process, the entrepreneur encounters ambiguity and therefore the entrepreneur needs to have effectual decision making ability. Effectual decision making focuses on things that can be done given possible means and imagined ends. Effectual thinkers are firm believers in yet to be made future that can be shaped and controlled through commitment. According to Rerup (2005), experienced entrepreneurs have a high tolerance of ambiguity and acceptance of failure.

In South Africa, statistics show that only 10% of startups succeed as per Global Entrepreneurship Monitor. This is the bleak but very hard truth that one really needs to ponder on if they intend starting their own businesses. This cold yet harsh statistic is not meant to deter entrepreneurship but rather to inspire the aspiring entrepreneurs to work smarter and harder in order to succeed. Some distinguishing features of a start-up company are:

- A startup that is able to create a service or product that is perfect for the market. Many failed startups apportioned their failure to absence of market need for their product and services. Value proposition for your product or service is imperative for the success of any business.
- Roles and responsibilities in startups overlap and are not well segmented like in established businesses. “successful entrepreneurs understand that they must work on their business, not in their business” says Niel Patel of Forbes in his article (03 December 2014).
- A fast growing company is the one that the investors want, the market needs and entrepreneurs dream of. Marginal growth at startup can lead to the demise of the business as it may run out of cash. Growth breathes growth and a company that is not growing is shrinking. Early stage rapid growth early on is a good indicator of success.
- A versatile team enhances the success of a startup. This team should possess a diverse skills set which should make it easy for them to adapt to change in circumstances within the environment in which the business operates. Every business is started on assumptions which may in reality prove to be correct or incorrect. Businesses with co-founders tend to have a higher success rate for obvious reasons.

There are social connotations to entrepreneurial negative exit and not only financial depression according to (Landier 2004). However, being aware of entrepreneurial negative exit allows for the unearthing of treasured information for both entrepreneurs and society at large. Analyzing failure as opposed to focusing on success rates is crucial for the development of models for value based entrepreneurship. An

entrepreneur may exit positively or negatively with the former being the sought after exit whilst the latter being the most undesirable outcome, this is supported by (DeTienne 2010). Reasons for failure can be internal or external. According to Wennberg (2011), the majority of entrepreneurial failures are caused by internal factors whilst on one third is cause by external factors as supported by (Everett & Watson 1998). Negative exit may arise through issues such as unrealistic expectations, finance, mismanagement, innovation, poor planning, over-optimism, over confidence and inability to cope with uncertainty. Some internal reasons cited for negative exit are:

- Inappropriate sources of finance
- Deficit in accounting
- Impeding bad debt
- Overtrading
- Dependency on customers or suppliers
- Poor management
- Poor cash flow management
- Poor market research and fraud/collusion/corruption

2.5 INNOVATOR'S SOLUTION

Entrepreneurship is about being innovative. Entrepreneurs seek economic innovative solutions to market challenges. For a business to exist, it must provide a solution. Being innovative is not a once off event, it is continuous and the growth of the company largely depends on its ability to innovate, either through its products or services. Innovation can create a unique competitive advantage for the business and sustain it. Innovation enhances the way things are done and that brings about exciting growth (Christensen & Roynor 2003). Product based businesses have more scope for innovation than service based businesses. Technology based companies have brought about destructive innovation which has forced all businesses to rethink their business model in order to remain relevant. These technology companies even go through a process of self-destructing in order to maintain their position as market leaders. Destructive growth at the helm of the organization.

2.6 WHAT ENTREPRENEURS GET WRONG

“A global survey shows that most company founders regret waiting too long to start selling. An entrepreneur-friendly sales model can help” this according to (Onyemah, Pesquera & Ali 2013). Entrepreneurship is about converting those light bulb moments into commercially viable money making machines. It concerns getting that breakthrough idea for a product or service to be driven by passion and belief. Entrepreneurs have a firm belief on the merit of their ideas and prospective customers. Central to the success of any infant enterprise and ignorance of this by any entrepreneur it is done at their own peril. In their journal (Onyemah, Pesquera & Ali 2013), entitled what “What Entrepreneurs Get Wrong”, several founders interviewed outlined the following:

2.6.1 Starting late

According to Onyemah, Pesquera & Ali (2013), fully developing a product or service without feedback from potential buyers proved costly for many entrepreneurs. There is valuable information in market research but getting direct customer feedback is worth so much more. Selling should lead production and it is imperative that you get customers interested in your offering prior to making an excessive investment in the business whether in terms of time or effort.

2.6.2 Failing to listen

As per Onyemah, Pesquera & Ali (2013), something else which entrepreneurs get wrong is focusing on concluding that sale, the energy is focused on driving home the merits of the product as opposed to getting to know what the prospective customer thinks of the product. Responding negatively to criticism and only realizing later how that criticism should have been channeled. Effective listening to the customer can assist enhance the idea and the product/service in order to make it best serve the customers’ needs. The only way to continuously validate the idea is to encourage ongoing customer feedback.

2.6.3 Offering discounts

Onyemah, Pesquera & Ali (2013) states that it is not uncommon that a company in its infancy seeking to close the transaction by having sales, offers price discounts

often in so doing establishes an unmaintainable pricing model. The pricing discount could spread like wild fire thereby circumventing the future pricing power. Often entrepreneurs later wish they had pursued other sweeteners. Offering pricing discounts can present a misleading picture of the progress of the company as the sales may be high but unsustainable and worse, at unmanageable margins.

2.6.4 Selling to family and friends

Concluding transactions with family and friends can give false impressions of the success of the business venture according to (Onyemah, Pesquera & Ali 2013). Motivating factors for a family to procure from you may be obscured and difficult to measure as they could be sentimental as opposed to those based on sound economic principles. Family transactions are often not at arms-length and therefore create incorrect validation, a fallacy.

2.6.5 Failing to seek strategic buyers

Cash strapped venture or entrepreneurs in pursuit of sales or that first “yes” can easily be blinded to other considerations states (Onyemah, Pesquera & Ali 2013). The excitement of a first “yes” can be overwhelming and destructive. There is nothing wrong with conducting a strategic assessment of the first buyer.

2.7 THE PHILANTHROPIC APPROACH

Entrepreneurship are a unique breed and entrepreneurship encompasses a significantly wide array of activities. One of these unique breeds is the philanthropic entrepreneurship. Philanthropy by its very nature, is the pursuit of a social course of which its success or failure is not necessarily measured in profits and return on investment may not be a relative figure but may for example be 1 job per R250 000 invested. Measuring the success or failure of philanthropic investment is extremely complex and this is echoed by Georg von Schunurbein in his article entitled Flawless Foundation where he writes for the Philanthropie Magazine (14 December 2014). Philanthropie is essentially nonprofit and aims to contribute to the symptoms of societal problems. They may not necessarily solve the causes of the problems and this therefore means they can be perceived as failure at the same time that they succeed.

There are lots of lessons to be learned from mistakes made by philanthropic entrepreneurs and philanthropic businesses. Lessons from these mistakes offer a rich yield for progress if incorporated into the funding model as opposed to being refuted. Just like in philanthropy approach, instead of adjudicating projects on the principal of wrong or right, instead the lessons learned should bring new findings to the projects. An institution that fosters learning celebrates mistakes and develops a learning culture based on lessons learned. These lessons become the cornerstone of future actions and decision making, safe to say that they become the intelligence that advances the organization which double up as a unique competitive advantage. For any organization to prosper, it is imperative that the management talks about their mistakes, says Beate Eckhardt, CEO of Swiss Foundation about error culture in the Swiss Foundation Sector (14 December 2014).

2.8 ENTREPRENEURSHIP AND PUBLIC POLICY

Entrepreneurial innovation is synonymous with and pivotal to all successful economies. “The world has an enormous appetite for growth and the need for growth leads inevitably to hunger for innovation” says Josh Lerner in his article on Entrepreneurship Public Policy and Cities. Innovation leads to economic growth, creates employment opportunities for the working class, reduces unemployment and increases the tax base since more people are employed as companies are run profitably. According to Lerner (2014) growth can be achieved through increasing production inputs or getting more out of the existing inputs. It is critically important that technological innovation is present for any economy to thrive. Government plays a critical role in ensuring the success of the economy by promulgating appropriate laws that cultivate a culture of entrepreneurship through sound policies. Policies encourage entrepreneurial activity through ensuring economic environment conducive to entrepreneurial activities and financial institutions to support these activities according to (Lerner 2014). Furthermore, government can play an active role in driving the entrepreneurial process through its direct interventions by designing

programs that are sensitive to private sector needs and the markets. The governments' role is that of an enabler, this they fulfil through policing and regulating.

2.9 STIGMA ASSOCIATED WITH ENTREPRENEURIAL FAILURE

It is a common curse of human nature for one to fear failure. Failure represents a negative achievement. According to Cope, Cave & Eccles (2004) failure is pervasive, it cannot be avoided, potentially painful and brings about traumatic experience for the entrepreneur. Learning from failure is very important, this according to (Cope 2011) as well as (Cope & Watts 2000). Failure has consequences, some of which are more lasting than others. It is often said that one has to do 20 good deeds for one bad deed to be forgotten according to Skhumbuzo Manyoni interviewed on 19 August 2016. This has off course has never been tested and there is no empirical evidence to support it. It's simply one of life's expressions that developed through wisdom. This research particularly observes lessons learned from near crippling mistakes from the eyes of successful entrepreneurs. As a result of their mistakes, entrepreneurs attract a stigma according to (Cope 2011). An Oxford dictionary's definition of stigma is "it's a mark of disgrace that sets a person apart."

When a person is labeled by their illness or other flaw they are seen as part of a stereotype group. Negative attitudes create prejudice which leads to negative action and discrimination. This can be illustrated as follows, when an entrepreneur has a negative credit rating as a result of a judgement or default, the chances of him or her securing finance are very slim. This is even worse if the creditor finds that previous financial obligations have not been fulfilled with no special arrangements to resolve the issues at the same submitting an application for further credit. Financial institutions are very unforgiving to individuals who have a history of not meeting their financial obligations according to (Landier 2004). Failure can lead to companies filing for bankruptcy or business rescue, which is a new concept in South Africa. There is an influential role played by government, the legal profession and media in social perceptions about personal bankruptcy.

Financial institutions are also very unforgiving to entrepreneurs who have had failed business ventures according to the Global Entrepreneurship Monitor 2015-16. Furthermore, entrepreneurs with previous failed ventures generally tend to find it harder to source funding. As a country, South Africa is fighting to save its credit rating which is determined by rating agencies known as; Standard and Poors, Fitch's and Moody's because should the country's receive a junk status, investor confidence will drop. Furthermore, the cost of debt will increase and other lenders may even prematurely call up their debt, the implications are wide and can cripple the economy. Ultimately, the stigma attached to a junk status credit rating is bad for the country and its people according to Musa Dlamini interviewed on 4 August 2016. Junk status would mean higher cost of debt and withdrawal of foreign investments. He further went on to say that there are certain restrictions place on investment mandates given to Fund Managers and a common one is that they cannot invest in countries with a junk status. A country with a junk status credit rating is perceived as riskier.

Stigmatization is a process; it progresses over time. It does not transpire prior to failure but it is afterwards and adds to venture demise. The positive is that it can trigger personal learnings which could transform entrepreneurs' perceptions of catastrophe from a destructive to a constructive life experience. It was stigma associated with failure that prompted the policy makers within the European Commission to establish a "Second Change" policy. This policy aims to bring about a reduction in the negative effects of stigma (European Commission Enterprise Industry). Stigma affects entrepreneurs and their future decision making. Lessons learned from failure can influence future start-ups. Stigma can take two forms, social stigma, which is associated to discrimination by others or self-stigma which is associated with personally discrediting (Corrigan, Morris, Larson, Rafacz, Wassel & Michaels 2010).

2.10 PSYCHOLOGICAL CAPITAL ON MISTAKES MANAGEMENT CULTURE

Entrepreneurship entails risk taking, it's about venturing into the unknown. You build on assumptions, find the best combination to maximize based on the limited

resources. Venturing into the unknown may therefore mean that mistakes are made along the way. It is therefore imperative that as an entrepreneur you learn from your mistakes as well as mistakes of others. Lessons learned from these mistakes become a great resource base, this is supported by (Amini & Mortazavi 2012). He further states that “Psychological Capital is one of construct contributes to the formation and dissemination of mistake management culture.” Entrepreneurs that use learning from mistakes is are likely to succeed than those that do not.

These entrepreneurs are more apt to experiment, likely to innovate and improve their practices. One ignores mistakes at their own demise, mistakes should be viewed as opportunities for productive learning. Entrepreneurs with a mentality of wanting to learn from their mistakes often goes as far as capturing all the mistakes made in their diaries and this great repository of information becomes a guide for achieving greatness. The diary becomes a valuable competitive capability. According to Chughtai & Buckley (2010) seeking feedback, asking questions and reflecting on results are all at the core of a learning behavior.

Mistakes may expose both negative and positive impact, the negative e.g. time lost, damaged production, loss of revenue etc. and positive e.g learning, innovation, savings etc. An entrepreneur that has an active approach to errors as opposed to the passive approach is likely to learn from their errors. An error is not only a threat but it can viewed as an opportunity as well. Entrepreneurial culture differs from that of a typical bureaucratic company in that latter aims to prevent errors at all costs whilst the former embraces errors, accepts them in its strides and tries to lessons from errors. Heimbeck, Frese, Sonnentag & Keith, (2003) captured the essence of people’s capability of learning from their errors through their research in ‘Error Management Training’. Dealing with errors in the best appropriate way and its consequence after the occurrence of the error marks the central piece of error management.

2.11 FINANCIAL PLANNING AND MANAGEMENT

As an entrepreneur, you are said to play a number of different roles in running a business and one of these roles is not only to manage the business but to also manage the financial affairs of the business. In a small business environment or emerging businesses, the entrepreneur or founder is directly responsible for both these aspects of the business. The entrepreneur must plan the financial affairs of the business, this according to (Dunn & Chyi-lyi 2002). Dunn & Chyi-Lyi (2002) found that challenges come about through failure to be careful, precise and explicit in planning and managing the finances. Aldelman & Marks (2000) found that formal education in finance and business was the missing ingredient that resulted in entrepreneurs falling short of financial planning and management. Dunn & Chyi-lyi (2002) found that there are a number of 'fallacies and realities of financial planning and management' and these are:

The first fallacy is that there is no need of a business plan, a good location that needs to be upgraded and that a small amount of capital will be sufficient. The pre-business expenses are therefore underestimated. Failure to properly account for pre business expenses can result in severe cash flow problems. The reality is that adequate business planning may lead to hassle free and successful business.

The second fallacy is that an idea is sufficient to get started, quantifying the financial needs is not necessary. No detail assessment of start-up costs is done and the desired or required resources are never properly accounted for. This may result in financial gaps. The reality is that a proper and detailed list of resources needed to operate a business needs to be done upfront.

The third fallacy is that the entrepreneur must own the fixed assets. In this endeavor, the entrepreneur spends the little they have in pursuit of ownership of the assets. They forget the importance of liquidity and that proper funding models are important. In reality, ownership of the fixed assets is not paramount, however, control is.

The fourth fallacy is the misplaced expectations like that the supplier will easily provide me with stock. Financial statements are not important and that the bank will easily fund any shortfall. The reality is that proper funding is imperative.

The fifth fallacy is that the entrepreneur can just tap into their personal credit like credit cards to fund any shortfall. Without considering cost of debt since credit card debt is generally high. In reality, the advantage of credit card debt is that this is revolving credit which can be settled monthly.

Sixth is the fallacy in that since my friends like the product and buy it, therefore there is a dire need for it and so the revenue will be easily achieved. Cash flow problems can also arise from lack of proper planning for the conclusion of the sale i.e from delivering the product to collecting the money. The reality is that every business needs back up capital in order to fund the planned and unplanned financial gaps.

Seventh is the fallacy in that many entrepreneurs overstate the sales and underestimate the expenses especially when it's a new venture. They don't consult finance models or those that are in business in order to ascertain industry norms according to (Dunn & Chyi-Lyi 2002). The reality is that estimated turnovers and expenses should be substantiated and not be baseless as these inform the break-even analysis.

The eighth fallacy is that flow of funds from sales will be received promptly and there will be no late payers. There is no proper analysis of cash break even analysis. The reality is that cash is king, therefore managing the collection of funds is imperative to the survival of the business as per (Dunn & Chyi-Lyi 2002).

Ninth is the fallacy is that entrepreneur get caught in a web and excitement of being their own boss. This can lead to mismanagement of expectations as there may be unrealistic expectation regarding the drawings. Many entrepreneurs fail to distinguish between personal and private expenses. The reality is that a clear distinction between personal and private expenses should be drawn up at the planning stage.

The tenth fallacy is that accelerated start up growth can be maintained eternally and that growth in sales leads to increase in profits and flow of cash. This uncontrolled

and unplanned growth can be detrimental to the business. The reality is that proper and prudent funding principles should prevail at all times.

The eleventh fallacy is that when the business is doing well, personal expenses and lifestyle should change too and become more expensive. Once the business is stable and has gone through the start-up phase, there is always a strong temptation to use the excess liquidity for personal lifestyle changes. The reality is that liquidity should be preserved for future unforeseen circumstances, this will ensure long term sustainability of the business.

2.12 LEVELS OF STRESS AND ENTREPRENEURSHIP

Entrepreneurial sphere is full of uncertainty and being exposed to unknown conditions can raise the stress levels. The conditions under which entrepreneurs operate are rife with heavy workload, unpredictability, rapid change, high personal responsibility and accountability etc. (Baron, Franklin & Hmeileski 2013) found that there is an inverse relationship between psychological capital and stress, in turn a negative relationship between entrepreneurs and their subjective well-being. Entrepreneurs encounter stressful climate in their everyday dealings and being continuously subjected to these conditions helps them deal with stress better and ultimately experience low levels of stress. Gilboa, Shiron, Fried & Cooper (2008) found that the high levels of stress can impair performance on numerous tasks in an array of business settings. Entrepreneurs mental strength can be ignited by their psychological capital which according to (Luthans, Avolio, Walumbwa & Li 2005) has four components which are optimism, resilience, self-efficacy and hope. Stress if unattended to, can be extremely harmful and it is thus imperative that entrepreneurs become conscious of this if they are to be successful. Stress can negatively affect task performance and leadership says (Chan & Wan 2012). Entrepreneurs well-being and health is influenced by stress. Entrepreneurs are often able to succeed despite stressful situation and surroundings because they are able to properly identify their

role. This is because they focus on their own reaction to change as opposed to seeking to change the world, entrepreneurs are especially skillful at this.

Baron (2013) found that there is a very high proportion of businesses that do not survive beyond their first three years and according to (Ucbasaran, Shepherd, Lockett & Lyon 2013) other factors such as identifying better suited opportunities also contribute to this low success rate. Failure and entrepreneur withdrawal are not the only contributing factors.

2.13 ENTREPRENEURIAL JUDGEMENT

Entrepreneurs are multi-disciplinary professionals who cover the broad scope of the business needs. Their multi-skilled approach is often what places them ahead of the pack, it can be the difference between success and failure. They are called upon to display or exercise these set of skills are different intervals within their business in no particular order, sequence or mix. The ability of that one individual to effectively and efficiently combine these skills sets is a unique competitive advantage. Entrepreneurs draw on these skills to make decisions on a daily basis. Every entrepreneur spearheads the transformation exertion; he/she introduces a new idea that will for all intense purposes alter or define the social reality. However, irrespective of the particular individual, being this agency is considered inconsequential (McMullen & Shepperd 2006).

Judgment, according to the oxford English dictionary it is “the ability to make considered decisions or come to sensible conclusions”. Other free online dictionary understanding of judgment are that:

- The mental ability to perceive and distinguish relationships (discernment)
- The capacity to form an opinion by distinguishing and evaluating
- The capacity to assess situations or circumstances and draw sound conclusions.

Judgment is about the ability to reach a conclusion through thoughtful enquiry. Good judgement is attainment of thorough inference in a manner other than casual.

Judgement is the operant between a stimulus (which is an opportunity belief) and a response (which is an investment), according to (Mcmullen 2015). Entrepreneurs also accept that they would not always make the right decision and that the decisions that they have to make may not necessarily always be easy. With decision making comes consequences, can be good or bad. Both elements of stimulus and response come into play in judgement and decision making. Irrespective of whether opportunities are comprehended of as impartial or idiosyncratic, they continue interpretations found (Barreto 2012).

Judgment and decision making draws from economic theories of entrepreneurship and behavioral theories of entrepreneurship. Economic theories are according to (Dimov 2007) streamline the entrepreneurial journey to a single moment or event. At this juncture, the judgment exercised in pursuit of the goal can be accurate or inaccurate. On the other hand, behavioral theories outline the entrepreneurial journey as a sequence of decisions. These ultimately culminate in the system of multifaceted event outcomes finds (McMullen & Dimov 2013). Judgement and decision making entails decisions, outcomes, uncertainty, preferences and decision making.

Entrepreneurial actions can be viewed as a sequential decision making as opposed to a one-time event. Judgment is not merely about accurately predicting the outcome, but it's a task which incorporates all round skills that extracts information from relevant stakeholders in order to achieve empathic accuracy. This suggests that there are micro-decisions nested within the hierarchy of a macro-decision.

2.14 CONSEQUENCES OF BUSINESS FAILURE FOR ENTREPRENEURS

Failure is synonymous with uncertainty and it is generally conceptualized as the state, or fact, of not accomplishing the intended end or result. There is a clear distinction between the desired outcome and actual outcome. Entrepreneurs can be said to have failed if they have performed inadequately on a certain task or when a certain

situation does not work. The act of failing can be viewed as some imperfection that requires some adjustment or an ineffective plan or inefficiency that demands attention found (Cannon & Edmonson 2001) suggest that it's imperative that you apply your mind to the causes of failure. Reflecting and considering reasons for failure can assist overcome short term disappointments for long term gains. (Cannon & Edmonson 2005) in their study later found that a positive attitude towards the future can be useful in confronting the very act of failing thereby dealing with it in a systematic and professional manner. Alternatives and new solutions are sometimes triggered by critical setbacks.

Many new ventures fail because of the element of uncertainty inherent in every venture. For every action, there is a reaction, it is therefore prudent for one to interrogate the consequences of failure. The list of consequences or costs is endless and not limited to financial turmoil, psychological or social nature. It has been argued by some scholars that business failure is not necessarily a bad thing, it can be good for society and the economy. It releases knowledge as well as resources from non-operational businesses, (Hoetker & Agarwal 2007) who are in agreement with (Knott & Posen 2005). These defunct resources can be re-assembled into new ventures. The repository or lessons learned from failure can lead to reduction in costs for surviving businesses as they provide sound lessons (Madsen & Desai 2010). The other side of the coin is that business failure may bring about a traumatic and emotional experience (Cope 2011) as well as (Shepherd 2003) that impedes learning.

There is nothing better than hearing it from the horses mouth. This research is fundamentally about exactly that, learning from lessons of business failure directly from the entrepreneur's perspective. This research adopts the same approached undertaken by (Ucbasaran, Shepherd, Lockett & Lyon 2013) by engaging entrepreneurs directly seeking to unearth how they turned darkness into light, converted negative into positive, failure into success. The consequences of failure can be extreme dire and vary from case to case. Consequences of failure go hand in hand with entrepreneurial process. How does one forge personal recovery, learning

from loss and re-motivation or re-entry? Insights from entrepreneurs' perspectives uncovers this question.

2.15 ATTRIBUTIONS AFTER BUSINESS FAILURE

There has been a great deal of study and investment in technology that is aimed at supporting business decision making or making decisions a little easier. Despite all these investments, businesses still fail to achieve the desired outcomes at every instance. Failure of businesses remain a regular occurrence and such failure is closely associated to the firms' decisions, this according to (Dovey & Fenech 2007). Ultimately, leaders are generally judged by the outcomes of their decisions. Corporates usually acknowledge good decisions and good performers by awarding them promotions and pay increases. Entrepreneurs see value in their good decisions through growth in their businesses. Decisions leading to business failure are also subjected to attribution by social arbiters, this according to (Mellahi & Wilkinson 2004). However, Yang & Aldrich (2012) in their study found the understanding of the relationship between attribution and business failure remains limited.

Amankwah-Amoah (2015) conducted a study on understanding the attributions post business failure. Social arbiters render attributions based on business failure. (Knott & Posen 2005). Business failure can be argued as bad depending on the type of stakeholder position i.e competitors may benefit from business failure. The same goes for response to business failure, others may feel demotivated and dejected whilst others may respond positively by being motivated to succeed. Amankwah-Amoah & Debrah (2010) in their study observed two schools of thought regarding reasons for business failure, being deterministic views and voluntaristic views.

Deterministic views incorporate external factors like, economic recession, bad luck, uncontrollable market forces, declining demand, natural disasters etc. These determining factors were also supported by (Andrews, Boyne & Enticott 2006). On the other hand, voluntaristic views are internal factors resulting from managers or their colleagues or subordinate's actions and inactions. Such factors may arise from

failure to anticipate change in markets, poor or lack of product development, limited market research, poor research and development, poor investment in technology. These views were also echoed by (Nutt 2002) as well as (Fothergill 2003) because failure results from internal decision-making.

Business failure can trigger a wide range of concerns which arbiters associate blame or reward where necessary. Amankwah-Amoah (2013) distinguish between 3 types of arbiters;

- Social arbiters – its stakeholders with a legitimate platform to provide assessment of individual's actions.
- Legal arbiters – law enforcement stakeholders like regulatory agencies and prosecutors.
- Economic arbiters – these stakeholders are executives and directors.

Attribution may occur immediately or may be delayed and may come in various forms, i.e shaming through social media, prosecution, and suspension ultimately leading to dismissal.

2.16 BUSINESS FAILURE AND THE ENTREPRENEUR

What is failure? What is life like after failure and how does or do entrepreneurs make sense of life after business failure, how do they recovery from failure. According to Cope (2011) states that “recovery from failure is a process that unfolds over time.” (Singh, Corner & Palvovich 2007) define business failure in the broad definition as the entrepreneur's exit from his or her business venture. Exit in not limited to businesses that closed but also encompasses businesses that were sold prematurely, this means, prior to entrepreneurs' wishful retirement age or health reasons. However, recent studies challenged prior studies in that entrepreneur exit may occur for many other reasons either than business failure, in that exit may even include business success (Wennberg, Wiklund, DeTienne & Cardon 2010).

2.17 SOME REASONS FOR BUSINESS FAILURE

- Due to difficulties experienced in acquiring resources
- Bankruptcy due to insolvency or intellectual capability
- A deliberate intent to continue with another venture
- Private reasons i.e ill health, family, relocation etc
- Failure to keep up with advancements in technology or markets
- Decision to prevent further economic losses
- Pursue alternative career opportunities i.e job, projects etc.
- Failure if the business to meet expectations
- Problems with making the business profitable

Wennberg, Wiklund, DeTienne & Cardon (2010) concluded on the abovementioned reasons in study.

2.18 COSTS OF FAILURE

The primary costs of failure can be grouped in three categories i.e financial, social and psychological, this is per (Ucbasaran, Shepherd, Locket & Lyon 2013).

The financial losses can be in a form of reduction or loss of income and according to (Cope 2011), this may result in a form of personal debt that may take a very long period to settle. (Sarasvathy 2008) found that some entrepreneurs employ techniques and that are aimed to managing the potential losses, this he coined, the affordable loss principle.

Social costs of failure which manifests itself in loss of personal and professional relationships. Singh et al., (2007) and later Cope (2011) argue that these costs can result in breakdown of marriages and close relationships.

Psychological costs of failure experienced by entrepreneurs' as a result of business failure can be classed into two categories, these are emotional and motivational. Negative emotions include anger, depression, remorse, shame, humiliation, guilt, pain, fear of the unknown and blame, these are outlined by (Cardon & McGrath 1999). Emotional as well as physiological effects often reveal themselves as

depression with varying grades of brutality, this according to Singh et al., (2007), which in reverse can negatively affect the individual's motivation.

2.19 OUTCOME OF FAILURE

The outcomes associated with business failure cut across three spheres which are recovery outcomes, cognitive outcomes and behavioural outcomes. Shepherd (2009) states that quicker recovery from failed business improves entrepreneurs' physical and emotional well-being, this therefore makes them more productive. There is a strong link between failure and cognitive constructs such as confidence or optimism. The level of optimism post business failure would depend to a large degree the reasons for failure. Hayward, Foster, Sarasvathy & Frederickson (2010) found that entrepreneurs are able to draw from this optimism in order to bounce back and establish new ventures.

Behavioural outcome is closely linked to how an entrepreneur who has gone through a failed business behaves towards new ventures. It has been found that entrepreneurs who experienced business failure are more keen on starting up new businesses or getting into business again. Schutjens & Stam (2006) in agreement with (Hessels, Grilo, Thurik & van der Zwan 2011) found that entrepreneurs who have experienced business failure have strong intentions to start subsequent businesses. They realize that failure offers a learning opportunity and therefore there is an expectation for businesses established by these experienced entrepreneurs to perform better.

2.20 PEER EFFECTS ON ENTREPRENEURSHIP

Peer effects can help individuals decide to become entrepreneurs and also learn how to make optimum entrepreneurial decisions. In South Africa, similar to the global position on entrepreneurship, the promotion of entrepreneurship is being prioritized by policy makers in recent years. There has been a significant increase in advancing of collaborations through cross border delegation, bilateral agreements, Algoa and

recently, the establishment of the BRICS association. South Africa is a global player and their participation in global events like the G20 Summit, COP initiative on global warming, World Economic Forum Summit, SADC, African Union just to name a few. All these participations, contributions and learnings are aimed at strengthening the country's economic activity. Studies of how other people manage their affairs provide a great platform for powerful peer effect. This can directly influence decision making finds (Lauren, Frazzini & Malloy 2008). Lerner & Malmendier (2012) found it important to distinguish between success and unsuccessful ventures, furthermore, make logical advancement in ascertaining peer effects in entrepreneurs.

Education is an important contributor to entrepreneurship therefore (Lerner & Malmeinder 2012) found through the study of the impact of Masters in Business Administration (MBA) to the success of entrepreneurs. They found that post-MBA entrepreneurs were much more successful than pre-MBA entrepreneurs. Through the cause of study, the interaction between students with a background into entrepreneurship is set to provide direct counsel to peers and assist identify business ideas that are worth pursuing. Their study revealed that of the 5897 students tracked between 1997 and 2004, 42% were successful, 19% unsuccessful and 39% remained unknown at the conclusion of the study. Shared challenges and combination of the brain thrusts has a positive influence on entrepreneurship. The presence of entrepreneurial peers can without directly influencing, encourage individuals to become entrepreneurs.

In South Africa, Higher Education has important influential role in terms of producing people who want to pursue careers in a specific realm of discipline. Within the Higher Education structure, Technical Vocational Education and Training (TVET) colleges focus on vocational studies. As much as TVET colleges focus on training but it is common cause that the work place will not necessarily be able to absorb all the graduates, it is therefore imperative that entrepreneurship is integrated into the studies and that such colleges have strong links with businesses in order to provide a platform for practical experience for the students. This shows again the importance of education to the success of businesses. In Zululand, a formal partnership is being

formalized between Umfolozi College (TVET), Zululand Chamber of Commerce and Industries and government through joint assistance with The German Federal Ministry for Economic Development (government), Kreishandwerkerschaft (regional association of craftsman) and Service -and Wirtschaftsgesellschaft (German Business Chamber). This initiative has 3 clear objectives which are:

- Develop vocational education
- Develop strong association with business
- Create a platform for entrepreneurship

Again, this initiative will develop a strong peer learning between South Africa and Germany.

The impact of peer influence is not easily identifiable as people tend to settle with those they are comfortable with and some may even be influenced through short or once off interactions with entrepreneurial peers. To then try and track the impact of peer influence impact is virtually impossible.

2.21 ENTREPRENERIAL RISK-TAKING

Entrepreneurial pursuit entails risk taking. This is a prevalent characteristic of an entrepreneur. One that is almost defining and is a thin line between success and failure. The risk taking behavior by entrepreneurs is extremely important is well understood by those that embark on entrepreneurship. McMullen & Shepherd (2006) as well as (York & Venkataraman 2010) all echoed that future entrepreneurship is focused on creation, discovery and evaluation of new and innovative opportunities. Risk is a future possibility which with sufficient data and proactivity can be assigned probabilities of occurrence. Risk can vary or be adjusted in line with the entrepreneur's risk appetite. Risk differs from uncertainty in that with uncertainty, the probability of occurrence cannot be assigned. Uncertainty is subjective, it mainly deals with the future. Uncertainty may manifest through unpredictability of the environment, the effect of being unable to succinctly predict the nature on the bearing of change and absence of knowledge on when, what, how response options are available and the likely consequence of each option taken.

One might even be tempted to say that entrepreneurs operate in a dark in that entrepreneurial activity never depends on known fact or future. According to (Alvarez, Barney & Anderson 2013), entrepreneurial risk taking encompasses actions taken that facilitate transformation of uncertainties into opportunities. Entrepreneurs manage this uncertainty and they have high uncertainty tolerance. Entrepreneurs' risk perception differs somewhat to that of a corporate leader. Entrepreneurs are always negotiating risk and uncertainly. Kuratko & Goldsby (2004) argue that entrepreneurs can be psychopathic and narcissistic and is supported by (Zhao, Seibert & Hills 2005). This argument is further strengthened in (Zhao, Seibert & Lumpkin 2010) in their finding that entrepreneurs exhibit strong self-efficacy beliefs patterns. D'Intino, Goldsby, Houghton & Neck (2007) in their study of behavioural patterns of Apple found Steve Jobs generally had low emotional intelligence but was extremely goal driven when faced with several challenges from leaving the university before completing his degree to creation of Apple, a company that later fired him only to rehire him later and he was instrumental to its success. Along the way he also created NeXt whilst away from Apple. Marshall & Ojiako (2015) stated that the entrepreneurial perspective on risk, uncertainty and human nature to emerges from many references of foxes and lions.

2.22 ASPECTS OF ENTREPRENEURIAL SUCCESS

Successful entrepreneurs bear wealth of knowledge and perspective. They are a great sounding board and can give sound guidance. Alstete (2008) says that "entrepreneurs enjoy the independence, freedom, job satisfaction, and money, but believe the long hours, stress, responsibility, risk and lack of company benefits are drawback of entrepreneurial activity." People are only attracted to entrepreneurship because of monetary incentives, non-monetary incentive are pivotal to entrepreneurs. Many successful entrepreneurs will tell you that if you get into business just to make money, you are in for a huge disappointment and failure is imminent. Therefore, comments and feedback from successful entrepreneurs is a treasured guide owing to its direct nature and currency. We live in a dynamic and ever changing environment,

it is imperative therefore to continuously reflect and refresh historic successes, trends, behaviour and environment. Technology, government, society and market places are ever rapidly changing and periodic assessment of entrepreneurial perspectives of successful people established in the respective field is essential.

There are conflicting views on where money lies as a motivator, according to (Carter, Gartner, Shaver & Gatewood 2003) as well as (Longenecker, Moore, Petty & Palich 2006) there are numerous reasons for seeking entrepreneurial career, ranging from financial to non-financial rewards and more often encompass a combination of both. However, they all found that money as a motivator is a lesser reason for starting a business. On the other hand, Alstete (2002), (Hormozi 2004) as well as (Katz & Green 2007) all found that money was a strong motivator for pursuing entrepreneurship. So there are conflicting views on the role of money as a motivator in entrepreneurship.

In comparing formal employment versus self-employment, the need for independence proved to be superior. Entrepreneurs yearn for making their own decisions, take chances and benefits from the rewards of pursuing the opportunity, this was supported by (Longenecker et al., 2006). Some individuals have a preference to being given guidance and direction from leaders, these individuals derive satisfaction from formal employment and organizational culture and structure, this according to (Littunen, 2000). Entrepreneurs through push factors can motivate others to become self employed by stifling their independence at work place, not rewarding them appropriately and creating a difficult working environment, this is supported by (Singh & DeNoble 2003).

2.23 SELF DIRECTED LEARNING AND ENTREPRENEURIAL LEARNING

Learning by definition is the process of acquiring skills or knowledge through experience, study or being taught. Humans, animals, machines and plants possess the ability to learn. It entails synthesizing various types of information. Learning can

be viewed as an act of acquiring new, reinforcing and or modifying existing knowledge, behaviours, preference, skill or values.

Learning can take several forms and more important, it can be self-directed or through others. This view was also echoed by (Tseng 2013). An entrepreneur develops and learns a great deal from both approaches and there is none more important than the other. Entrepreneurship plays a pivotal role in economic development and entrepreneurs are seen as economic agents that develop superior learning capability to seek to entrepreneurial opportunities as well as outcomes (Fiet 2002). According to Cope (2005) over time learning has gained acceptance as a fundamental component of entrepreneurship. Neck & Green (2011) noted that learning a systematic method is of great importance, it's more important than content learning. It's about developing critical thinking, performance and reflecting through systematic method.

Entrepreneurs are continuously responding to diverse personal and environmental demands that may come up from the mix between action, knowledge, concept and experience as stated by (Kayes 2002). According to Dollinger (2008) and (Zhao, Seibert & Lumpkin 2010) self-directed learning process is pivotal for entrepreneurs to become successful and is widely acknowledged as the initial stage to success, these sentiments were supported by (Krueger, Reilly & Carsrud 2000) as well as (Pandaey & Tewary 2011). For entrepreneurs to be successful in the 21st century according to (Dimistriades 2005) they must be efficient in combining learning with foresight as well as innovativeness. Entrepreneurs with sound learning tend to enjoy more success than those with limited success, this was the outcome of the study by (Hmiesleski & Baron 2009).

In self-directed learning entrepreneurs accept personal responsibility, accountability and collaborative control cognitive process in forming and constructing meaningful worthwhile learning outcomes. As per Brookfield (2009) self-directed learning entails an individual taking ownership and initiative in establishing their weaknesses as well as learning needs. They proceed further to choose and implement learning strategies and evaluation methods. On the other hand, Candy (2004) described self-directed

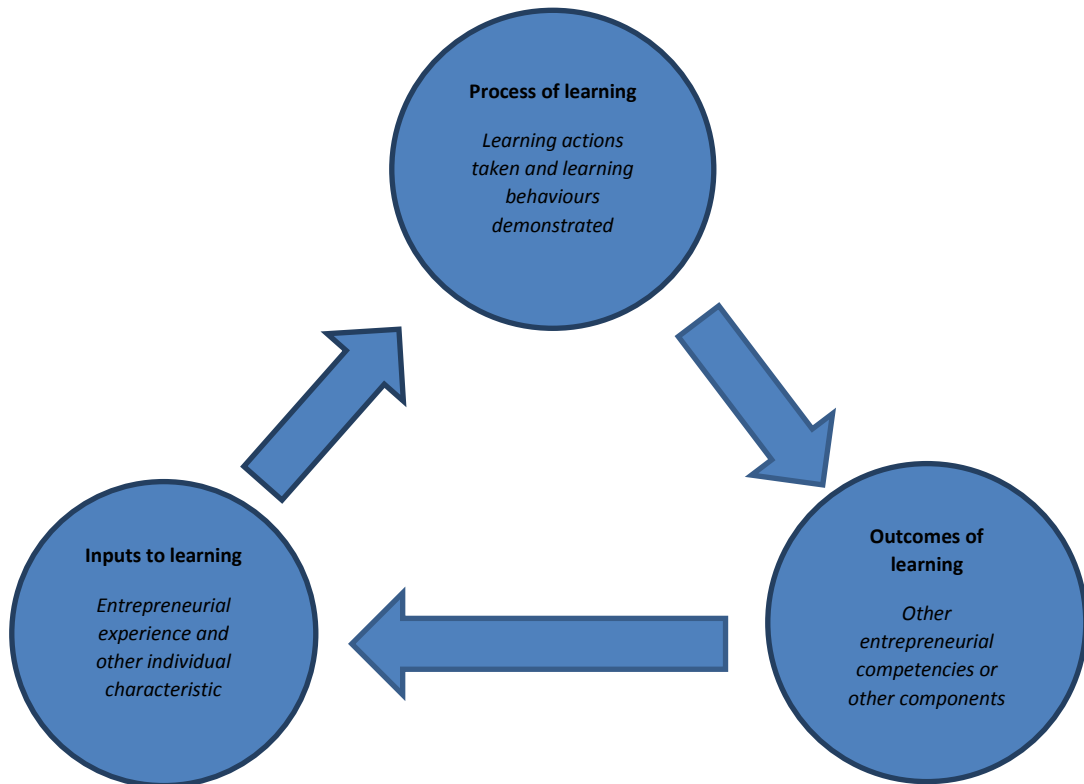
learning as an interaction between the individual and their respective environment. Essentially with self-directed learning, increasing of the knowledge base, skills, personal development and/or accomplishments brought about the person's efforts in order to alter their circumstances.

Cope (2003) described entrepreneurial learning as using lessons from sporadic experiences in order to enhance ones' level of knowledge both on a personal level as well as business level. Whereas Baron (2007) described entrepreneurial learning as a learning environment from which the entrepreneur's input and activities can alter the goals and creation of a new venture. Pittaway & Cope (2007) defined entrepreneurial learning as "learning that occurs during the new venture creation process. Politis & Gabrelsson (2009) argue that success and failure can be viewed as a prospect for learning. Formidable learning is future orientated and it thus enhances entrepreneur's level of experience and knowledge for future ventures. This view was also shared by (Cope 2011). With entrepreneurial learning, the entrepreneur's charismatic flair and character influence is influenced by their personal history and work experience, according to (Ucbasaran, Westhead, Wright & Flores 2010). Sorensen & Change (2006) in their study found that there was a strong link between entrepreneurial characteristics and performance of a new venture, the stronger the characteristics, the greater the performance.

Effective learning is known to have a significant impact on entrepreneurial success, this view is extensively supported (Young 2007); (Rae & Carswell, 2001); (Minniti & Bygrave 2001); (Sullivan 2000). This is mainly due to the fact that entrepreneurial capabilities are developed through learning and entrepreneurial learning is closely linked with identification and exploitation of opportunities, this view was echoed by (Corbett 2007) and (Sanz-Velasco 2006). Lans, Wesselink, Biemans & Mulder (2004) state that entrepreneurial learning is learning by venturing. It has a long term horizon outlook. Entrepreneurial learning is a progressive, generative, open, self-reinforced and iterative process. This may mean learning from experience, either own experience or through others. When one draws from experience it simply does not mean that repeating what has previously been done successfully by others and

avoid their failures. Instead it's about making sense of the experience so that higher-level learning can occur.

CONTEXT OF LEARNING



Organizational and external environments providing the scope of social interactions

Figure 2.1 An initial framework of entrepreneurial learning

Source: Thomas, Wing, Yan, Man 2012

2.24 DECISION MAKING UNDER DIFFERENT LEVELS OF UNCERTAINTY AND THE ROLE OF EMOTIONS

There are various reasons why entrepreneurs make investments and sometimes the final decision is influenced by emotions. Entrepreneurs invest in certain and uncertain conditions. The certainty surrounding the investment often influences the potential returns. The more uncertain or the riskier the condition, the more rewarding

and attractive it is for the entrepreneurs. As it is termed, throwing good money after bad money, very often entrepreneurs persist with investments that do not seem to yield the desired outcomes. There are many reasons for this but they mainly cut across the cognitive perspectives of the investor. The emotional side of decision making is often ignored so (Brundin & Gustafsson 2013) decided to explore this avenue in their study. Cardon, Zietsma, Saporito, Matherne & Davis (2005) found that entrepreneurs act with emotions. Furthermore, Cardon, Foo, Sheperd & Wiklund (2012) concluded that emotions constitute an asset, great armor and an additional mechanism that is untouched and undermined.

Entrepreneurs emotions would influence their decision making under different levels of uncertainty. If you eliminate failure and fear, you can tap into people's creative and innovative senses, spirit and capabilities according to (Hayton & Cholakova 2012). Brundin, Patzel & Shepherd (2008) furthermore proved that this is true for employees and corporate leaders alike. Positive emotions, being perceived favourable situations and good feeling can drive people to aim higher. Positive emotions tend to make people more prone to creative thinking. A negative emotion can infiltrate uncertainty and lack of self-belief in individuals. According to Basch & Fisher (2000), embarrassment and sadness can be grouped together with frustration.

2.25 LEARNING TO LEAD

Every organization requires a leader and that individual must be driven, self-starter, ambitious and a passionate person. Leaders look to harness the talent in people they lead. Entrepreneurs lead people in order to fulfil their vision. If the vision is never fulfilled then rest assured, the business will fail. Kempster & Cope (2009) undertook a study on 'Pursue learning to lead in the entrepreneurial context'. They adopted a qualitative approach in deriving at the analysis of their finding from the entrepreneurs interviewed. Although in Jensen & Luthans (2006) it is argued that entrepreneurs are leaders by virtue of their position. It is thus inferred that an entrepreneur is a leader. Leadership is synonymous with entrepreneurship. Entrepreneurship is a multidisciplinary function and is more than just a leader but the leadership role

dominates as the business grows, this view is supported by (Fuller-Love 2006). As the business cycles evolve, so does the leadership role that the entrepreneur plays in the business.

The attributes of an entrepreneurial leader according to (Gupta, Macmillan & Surie 2004) include ambitious foresight, intellectual stimulation, positive and decisive mindset, creative, intuitive and unorthodox thinker. "Learning to lead in the entrepreneurial experience requires leadership as an inspired identity, individual to grow from limited organizational experience, enacted and situational learning in the organizational context and learning from others," says (Vecchio 2003). Entrepreneurs learn to become leaders.

2.26 LEARNING FROM ADVERSE INCIDENTS

In business, just like in life things do not always go according to a plan, the desired outcome is not always achieved. This does not have to be the end, however, it is imperative that lessons are learned from these cloudy moments. An adverse incident can result from the internal or external influencing factors within the business. Williams (2011) argue that re-framing approach can be useful in ensuring that learning from adverse incidents occurs in the organization. This is highly dependent on the ability of the organization to place emphasis or value in learning and effects of dual reporting and learning. Learning culture is the one that embraces errors or mistakes. Threatening or embarrassing people discourages and is demotivating and thus disrupts learning.

2.27 ENTREPRENEURIAL RESILIENCE

Possibilities to reinforcing the support system like educational programmes exist, they can also be applied in order to prevent growing entrepreneurs from untimely entrepreneurial exit. Increasing resilience within growing entrepreneurs can also be a useful too, this helps entrepreneurs overcome setbacks. Takahashi (2006) in his

study found that the value of resilience can be learned by working closely with and communicating with others in a team.

It is important to learn from failure. There has been a strong attraction from scholars to study the relationship between business failure and learnings. Scholars such as Cannon & Edmonson (2005), (Madsen & Desai 2010) as well as (Mellahi & Wilkinson 2004) have found that the two are strongly tied. Shepherd (2003) further asserts that it is possible for entrepreneurs to learn from business failure. It starts by using the information about the reasons for business failure, which is feedback, then using it by incorporating this existing knowledge to manage their own business.

Technology based companies truly embody learning from failure. Steve Jobs, co-founder of Apple Computer stands out in recent times. Nick Baker, founder of Xbox 360, Microsoft's video game console. Its ultimate success was four years in the making during which period, Baker experienced a number of failed ventures/technological interventions. Failed projects include 3DO's game console, Apple Computer's defunct video card business, Web TV, a chip startup that derailed a deal with Nintendo, Microsoft's cancelled Ultimate TV satellite TV recorder. Baker, from failed experiences learned about the need to balance power efficiency and performance in game console. He gained better understanding about setbacks in technology driven business.

There are countless situations or occasions that require an entrepreneur to embark on sense making mission, these become even more pivotal when he/she experiences business failure. The cause of business failure may not be clear cut as this may be influenced by numerous uncertainty surrounding the advancement of the opportunity (belief), technology, complex markets, considerable costs of the failure (financial, social and psychological) for the businessmen and the need to move on. It's about how individuals make sense of the termination of one path and how this termination influences subsequent paths that they may choose pursue. Just like organizations change visions, structures, strategies etc. so do individuals.

Embracing failure is imperative if one is to succeed. According to Politis & Gabrielsson (2009), having a positive attitude towards failure is a great asset for any

entrepreneur. This attitude helps them to deal with and learn from their mistake and move forward. Experiencing failure can be seen as a pre-requisite for learning. Furthermore, it provides a perfect opportunity to spot why failure occurred.

2.28 CONCLUSION

Drawing from past experiences or the experiences of others can assist entrepreneurs reduce risk and uncertainty associated with start-ups. Coping with failure requires a positive attitude. Failure also provides an opportunity for learning and developing insight into problems. A positive attitude towards failure can be an important asset for an entrepreneur as it can assist them manage and learn from mistakes and to move on.

Covered comprehensively in this chapter has been a review of work by different authors and scholars on entrepreneurship and entrepreneurship related matters with a specific attention to objectives as set out in the study outline.

In the chapter that follows the research methodology and fieldwork are discussed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Any research is built upon a philosophy and all researchers need to consider the philosophical worldview assumptions that they bring to their respective study, furthermore, research design that is related to this worldview as well as the specific procedures or methods of research that translate the approach into practice, according to (Creswell 2014). This study adopts the social constructivist worldview, which is founded on the belief that individuals seek understanding of the world in which they live and work. Individuals develop subjective meaning of their experiences directed toward certain things or objectives as expressed in (Creswell 2014). The meanings are diverse, varied and multiple. The future of entrepreneurs is shaped by their past experiences which may lead to their success or failure as well as influence their decision making.

3.2 RESEARCH APPROACH AND DESIGN

A qualitative research approach was adopted. In this approach, different knowledge claims, enquiry strategies as well as data analysis and data collection methods are used (Creswell 2003). There are various qualitative data sources, these include fieldwork (participative observation), observations, interviews, questionnaires, documents and text as well as researcher's impression. The obvious distinction between quantitative and qualitative research is the method of data collection, presentation and analysis. Qualitative researcher engage in study of things in their natural settings. Within the qualitative approach, the researcher would participate and become immersed in the social settings. The researcher is considered the primary instrument of data collection and analysis.

According to Sekaran & Bougie (2013), the nature of the study depends on the stage to which knowledge about the research topic has advanced. Descriptive study approach was adopted which according to (Sekeran & Bougie 2013), are often designed to collect data that describe the characteristics of persons, events or situation. According to Creswell (2014), the purpose statement set for the intent of the study, not the problem or issue leading to the study. This descriptive study was qualitative in nature. Descriptive studies are useful to assist researchers think systematically about aspects in a given situation.

Data was collected from successful local entrepreneurs through a questionnaire which enlighten aspiring entrepreneurs to avoid making similar mistakes. They can draw lessons from these failures. Future businessmen and women were better equipped to deal with the challenges associated with pursuing a business venture. Their chances of success were greatly enhanced by the experience and insight shared by successful entrepreneurs. It is still true today that there are no substitutes for experience. Successful entrepreneurs have already paid their school fees through their life experiences and they would ideally like to contribute to the body of entrepreneurial knowledge and advance businesses. It has been said that less than 15% of start-ups make it through the first eighteen months. This period has therefore become a significant psychological barrier to entry into the world of business. Any business person who encounters this research was enriched by successful entrepreneurs who have a glass is half empty attitude. “Life is too short to make all your own mistakes, better to learn from mistakes of others” says Bill Gallagher, the founder of Gallagher Group and the Enerst & Young 2002 Entrepreneur of the Year.

3.3 RESEARCH SETTING

The study was conducted on entrepreneurs in Durban and Zululand within the KwaZulu-Natal province. The province is ripe with entrepreneurship.

3.4 THE STUDY POPULATION AND SAMPLE

The population can be defined as all elements, the entire group of people, events or things of interest that the researcher would like to explore, (Sekerama & Bougie 2013). Based on sample statistics, the researcher would make inference to this group of people, events or things of interest. For the purpose of this study, the population consists of all successful entrepreneurs within the province of KwaZulu-Natal. Based on this population, a sample was drawn, which is a subset of the population. A subject is a member of the sample, similarly, an element is a single member of a population. A convenient number of 17 successful entrepreneurs were selected with the intention of finding out something about the total population from which they are taken. A sample size of 17 successful entrepreneurs who are willing to participate in the research and who meet the sampling criteria between May 2016 and August 2016.

3.5 THE SAMPLING CRITERIA

The following sampling criteria was used to select the subjects to be included in the study:

- Business head office in KwaZulu-Natal
- Net worth in excess of R10m
- Single or Multiple business ownership permitted
- Be of either gender
- No industry limits
- Be in business for more than 3 years

3.6 DATA COLLECTION METHOD

An interview was used as a data collection instrument. According to (Sekeran & Bougie 2013) interviews are a good method of information on issues of interest. Interviews range from structured to unstructured, face to face, telephone or online.

This study adopted a face to face interview approach. All the interviews were personally conducted by the researcher. Structured interviews were conducted as it is known at the outset the type of information needed. So there was a list of predetermined questions to be asked of the respondents. The main benefits of this method is that it allows the researcher to control the process as they can clarify questions and responses, redirect or rephrase question, repeat questions if required and the researcher can also pick up on non-verbal communication. However, this method also has limitations in that it can be very expensive if the sample is widely spread. A sample size of 17 within Durban and Zululand is considered less restrictive and less expensive too.

3.7 RELIABILITY AND VALIDITY

There is usually questions drawn around the trustworthiness of qualitative research by positivists due to their concept of validity and reliability as it cannot be addressed in the same manner as in naturalistic work. (Shenton 2006) in his research looks at the work of Guba's construct which corresponds to the criteria used by positivists investigators:

- Credibility (in preference to internal validity)
- Transferability (in preference to external validity or generalisability)
- Dependability (in preference to reliability)
- Confirmability (in preference to objectivity)

Guba's construct has been instrumental in dealing with the issues of reliability and validity within the qualitative research approach. (Shenton 2006) addresses the four criteria that may be tackled by qualitative researchers who wish to present a substantial case that their study is academically complete. Data collection bias was minimized by the fact that the researcher was the only one administering the interviews. The researcher also ensured that there is consistency in the interview and interview process. This enhanced the validity of the study.

Credibility was dealt with in the study by ensuring that the questionnaires addressed what was intended to be measured in the study.

The results of the study dealt transferability in that they were easily transferred to others context or settings.

The interviews conducted over a period of time on entrepreneurs who shared their past experiences. The ability of the entrepreneurs to share their experiences over time indicates that the study has high level of dependability.

Different entrepreneurs share their individual experiences and upon comparison of the results, a conclusion was drawn on the common mistakes and lessons learned. The results were corroborated by others. This occurrence showed that this study has a high level of comfortability.

3.8 CONCLUSION

This chapter has given a precise view into the research methodology, tools utilized for the research and discussed the population sample size, questionnaire construction and the analysis utilized for data interpretation. Fieldwork issues were also discussed Chapter 4 intends presenting the data as collected and classified for proper analysis and also in a summary format.

In the chapter that follows, qualitative findings are discussed.

CHAPTER FOUR

QUALITATIVE FINDINGS

4.1 INTRODUCTION

The objective of this Chapter is to present, analyse and discuss the study's primary findings. The purpose of this study was to explore mistakes made by entrepreneurs and lessons learned by them. Specifically, this qualitative study sought to answer the research questions reflected hereunder:

- ✚ Why do entrepreneurs make mistakes?
- ✚ Can entrepreneurs avoid making mistakes?
- ✚ How are successful entrepreneurs able to turn their misfortunes into fortunes?
- ✚ Are there individuals who are immune to making mistakes in business?
- ✚ Are there global trends in mistakes made by successful entrepreneurs?

As such, the study adopted a qualitative, inductive approach to the analysis, inductively coding themes. Thereafter, a backdrop with the literature is provided to contextualize findings further in Chapter five.

4.2 THEMATIC ANALYSIS OF QUALITATIVE DATA

Thematic analysis of qualitative data was used to identify themes or major ideas in a document or set of document. It is a form of pattern recognition within the data, where emerging themes become the categories or codes for analysis. The themes in this study were allowed to emerge from the data collected from the interviews.

4.3 IDENTIFICATION OF THEMES

From the inductive coding process themes or nodes emerged from the text identified but at the same time also sub-themes or sub-nodes, which were incorporated in the discussion.

statistician revealed that some words were frequently used. The words that were most frequently used were, differently, mistake, decision, learned, context, finance, business, industry/industries, money, point, opportunity, obstacles and moto. These findings are not surprising given the topic under study.

They did however, prompt further investigation of key words namely; differently, mistake, decision, learned, context, finance, business, industry/industries, money, point, opportunity, obstacles and motto.

4.5.1 DIFFERENTLY

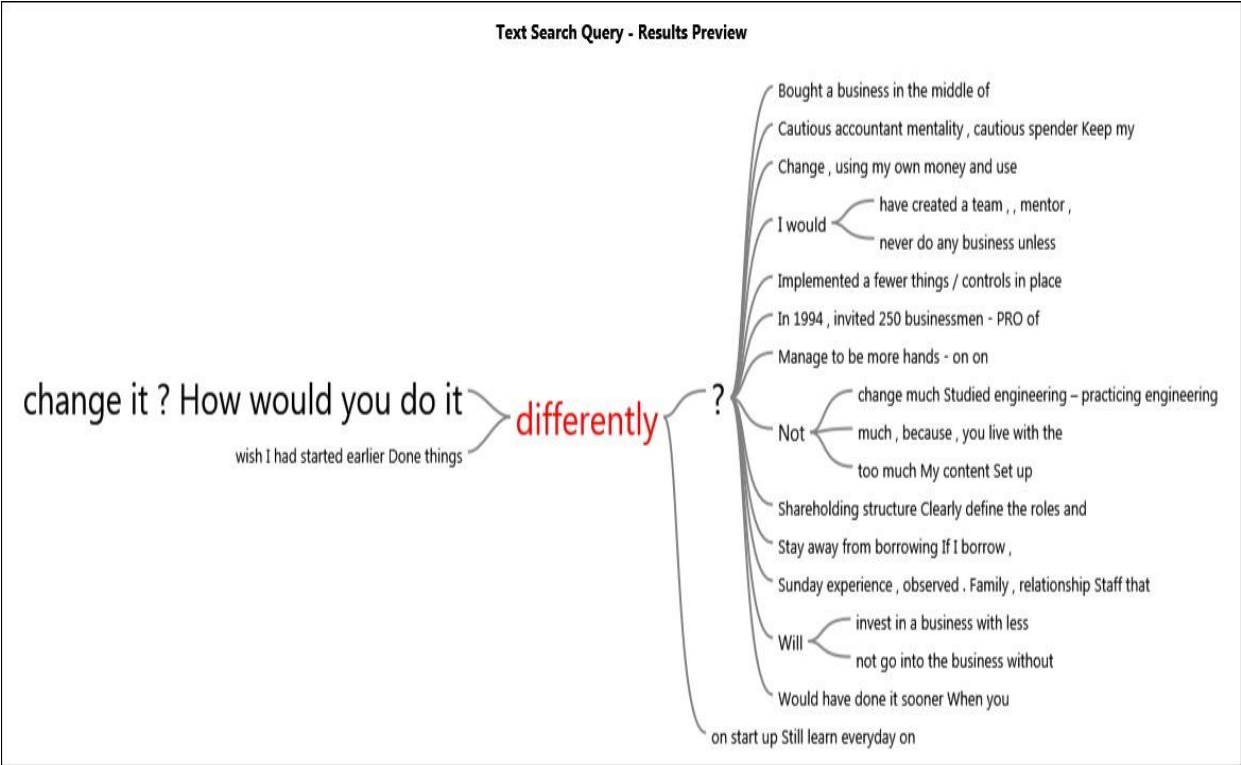


Figure 4.2: Differently

Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

"I would have done things differently on starting up"
"Cautious accounting mentality, cautious spender"

"In 1994, invited 250 businessmen- PRO of meat association – only 10 people wanted/ understood the idea of buying the properties around Isipingo"

"Studied engineering – practicing engineering was my dream but SA does allow for that"

"Not much, because, you live with the cards that you are dealt"

"Partnerships – Family

& friend- Partner never pulled his weight"

"Would have done it sooner"

"When you decide to go for it"

"Will not go into business without planning for the initial cash flow"

"Manage to be more hands-on on the finances"

"I would create a team comprising of mentor, financial coach and an accountant. These people are critical for the business"

"Using my own money and use borrowed money secured by my own money"

"Try to shy away from borrowings, you end up depleting your own cash resources then no back-up"

"If I borrow, I will try to negotiate better"

"Shareholding structure"

"Clearly define the roles and responsibilities of the shareholders"

"Bought a business in the middle of a recession and committed to make a success of it, My background of running successful business blinded me"

"Will invest in a business with less labour force"

This points to certain considerations in theme development:

- Entrepreneurial dimension/sphere
- Entrepreneurial skills gaps and the need to be versatile and diverse
- Entrepreneurial support
- Need for structure and formality
- Hands on approach is paramount

4.5.2 MISTAKE

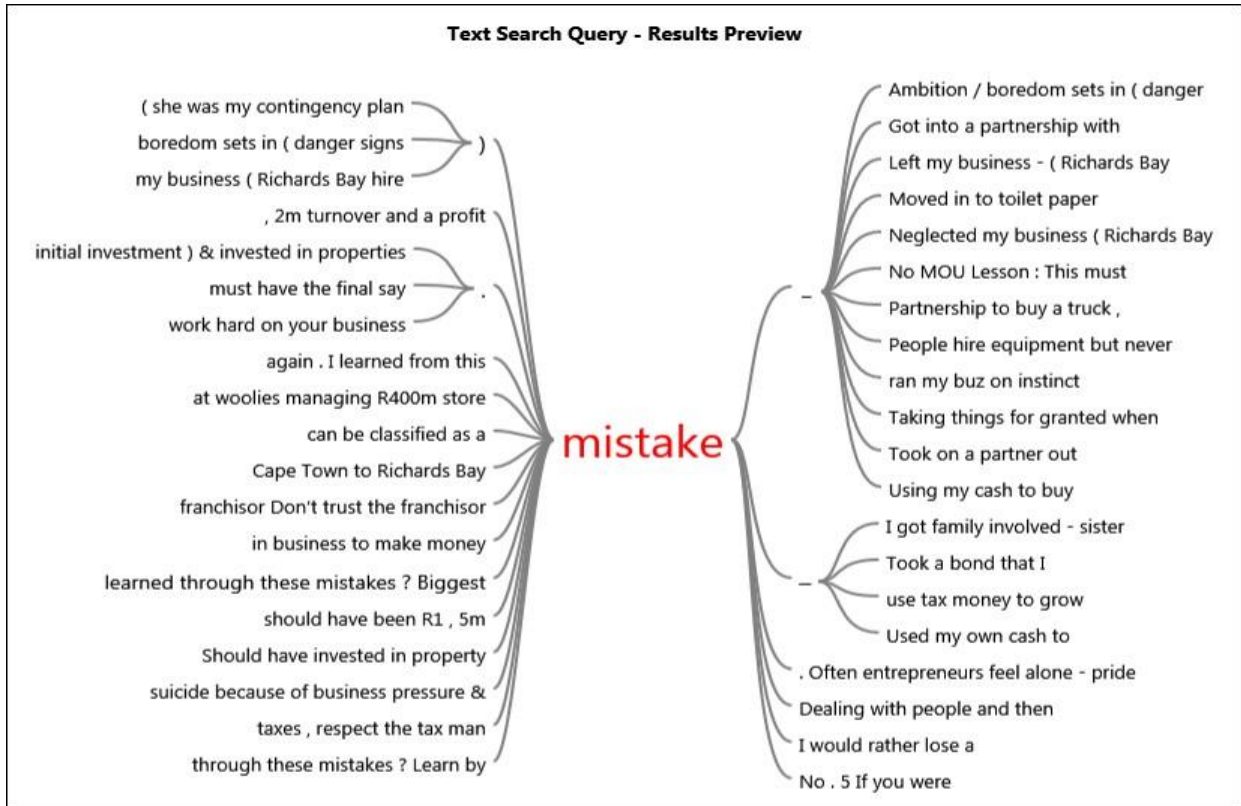


Figure 4.3: Mistake
Source: NVIVO 10

4.5.3 MISTAKES



Figure 4.4: Mistakes
Source: NVIVO 10

Looking at the above tree maps, certain sentences were noteworthy:

- "I am too direct; this can be classified as a mistake"*
- "Systems not in place"*
- "Not having the right accountant"*
- "Not having enough time to learn everything"*
- "Over committing financially, the business resulted in me not being able to fulfill my monthly obligations"*
- "Didn't invest early enough"*
- "Tendency to avoid conflict"*
- "Entering into wrong partnership"*
- "Incorrect staff hire"*
- "Funding model incorrect"*
- "Employing marketers"*
- "Employing a debiting company"*
- "I am 64, I have consolidated my operation whilst preparing myself for retirement"*
- "Dealing with people and then they let you down"*
- "In the past I trusted people and they let me down"*
- "No control over finances"*
- "Biggest mistake – use tax money to grow the business"*
- "I was naive to think that SARS would come to me last and I am a small fry"*
- "I ran my business on instinct with no plan. I was responding to issues. No plan meant I could not evaluate my work"*
- "Starting a business without market research"*
- "One is surprised by the negative outcome"*
- "Entrepreneurs often respond in a knee-jack reaction (I have done quite a lot)"*

“Also becoming overzealous and not taking into account the community you service i.e building a 5 star hotel in a 1 star community, realised after the effect”
 “Realised when reality does not meet expectation”
 “Lack of understanding to work the percentages when we run losses (gross profits, net profit, growth etc.) We count the money but ignore the finer details”
 “Taking long to make a decision we should have closed that workshop earlier”
 “Entering into agreements without properly understanding some clauses and ultimately their implications”
 “Not properly structuring the deal to buy into this business”
 “Took on a partner out of friendship where we were 50/50”
 “Mistake, no Memorandum of Understanding”
 “Mistake – I got family involved- sister & mother to assist with the Deli”
 “Then relocated in 2007 December from Cape Town to Richards Bay”
 “Business not compliant and we now needed to exit”
 “My partner is late and now his wife came on board, she is not active in the business but has interest and receiving dividends (this is “my Carlton Centre”) biggest challenge”
 “Partnerships - Family & friend- Partner never pulled his weight”
 “Ended up owing money and partner never lived up to the agreement”
 “Paid for a business without getting financial statements”
 “Partnership with the Franchisor, I invested R250k but the franchisor never lived up to their end of the deal”
 “Franchisor failed - High rental- R37k for 50m²”
 “Depended on franchisor to have assessed the market but it turned out that the Sandton market was not a sausage market”
 “Mistake – Took a bond that I later had to service out of a business that never made money”
 “Hired a wrong Manager (outside person) stole from my business”
 “Sold this business when my partners relocated & a friend (Manager started drinking) just broke even”
 “Mistake – Used my own cash to buy Richards Bay Tool Hire because I was scared of deb, it’s a new place, new town and new entrepreneur but managed to make R1,2m turnover and a profit”
 “Mistake- Using my cash to buy the business instead of instead of buying the property that I was renting (was R1.5m- currently R7,6m)”
 “Mistake- Got into a partnership with friend but we had no agreement in place and my partner scooped the profit and I lost R380k and my share of profit should have been R1,5m”
 “Mistake- Left my business - (Richards Bay hire) focused on this new venture with a friend and I neglected my profitable business. I had R350k invested in this venture but had R17k per month to be paid (obligation)”
 “Mistake- Partnership to buy a truck, truck ran until the drivers started stealing (tyres, diesel etc)”
 “Mistake- Taking things for granted when things are going well”
 “Mistake- Ambition / boredom sets in (danger signs)”
 “Mistake- Neglected my business (Richards Bay hire)”
 “Mistake- Continued to allow people to hire equipment but never paid”
 “Expanding too quickly”
 “High Gearing”
 “Not keeping proper financial records on a monthly basis”
 “Poor stock controls”
 “Lack of cash flow management”
 “Partnership is key”
 “Investments is never a group vision but it’s always an individual that has a vision and other follow/ support”
 “Lessons from lead shedding supplier clean out”
 “Control stock in order to free up cash”
 “Quick decision making, without facts”
 “Baking it in my head” get facts first and analyze”
 “Strong intuition – listen to your inner voice”

This points to certain consideration in theme development:

- Human Resource is imperative in running a business
- Need to develop systems
- Mistakes are part and parcel of running a business

- Mistakes are valuable

4.5.4 DECISIONS

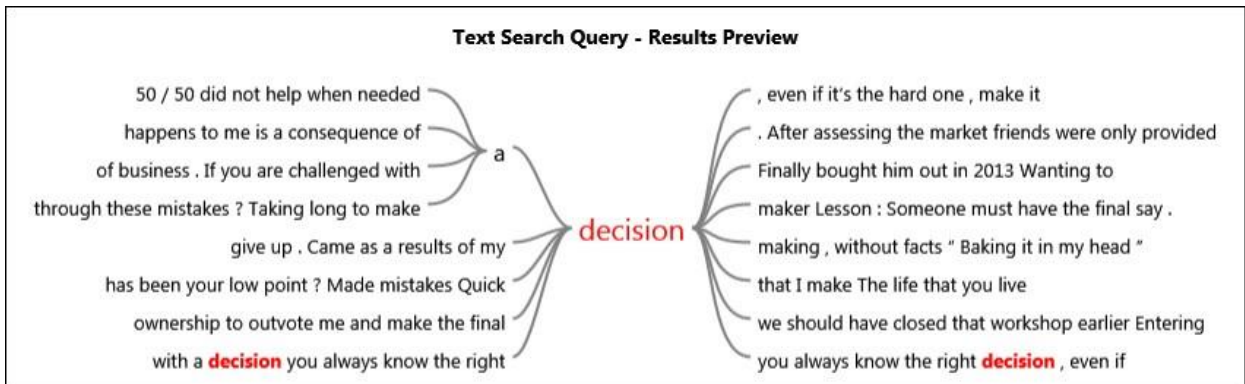


Figure 4.5: Decision

Source: NVIVO 10

Looking at the above map tree, certain sentences were noteworthy:

- "When it happened the second time, I acquired 50% in the business. Decided to leave corporate and get more involved"*
- "Be strict on systems"*
- "Secure the services of a right accountant"*
- "Had to downgrade my lifestyle"*
- "Took one day off instead of 30 days"*
- "Complete my matric, get a tertiary education"*
- "Had to go to work because I needed to support the family"*
- "Quick decision making, without facts"*
- "Baking it in my head, get facts first and analyze"*
- "Strong in intuition – listen to your inner voice"*
- "Went to varsity to seek professional employment"*
- "Had to educate myself"*
- "Have a plan B"*
- "You must have a plan"*
- "Planning is an integral part of a success story"*
- "Saw the opportunity within a supply chain at BHP"*
- "Used all my savings, 50 % salary cut, self-belief"*
- "Sold this business when my partners relocated & a friend (Manager started drinking) just broke even"*
- "I like taking risk (High risk = High reward)"*
- "Used reserves to fund equity stake in an existing business"*
- "Look at peripheral / non-key competencies of induction source for growth areas"*
- "When things were not rosy, 50/50 ownership arrangement did not help when we needed a decision maker"*
- "Stay close to the sale, if you conclude the deal, you are better placed to deliver"*
- "Selecting partners is imperative"*
- "Before branching elsewhere, I need to see growth in this branch"*
- "When you decide to go for it, go for it"*
- "Develop a strategy and convert it to operational dashboard, measure it regularly"*
- "Business is not compliant and we now need to exit- brought in mediator in 2013 to work on exit"*
- "Share with people, success will be short lived"*
- "Be fair and consistent"*

This point to certain considerations in theme development:

- Entrepreneurship is about decision making
- Research, planning and structure
- Back yourself and be prepared to sacrifice

4.5.5 LEARNED

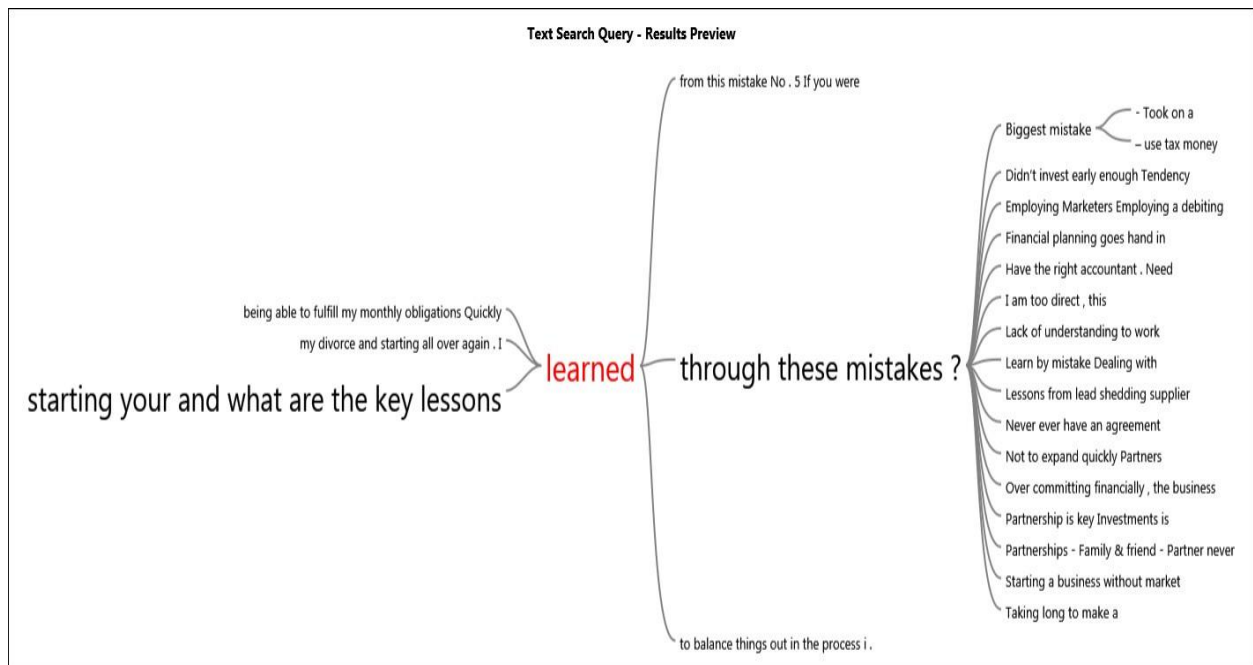


Figure 4.6: Learned
Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

- “Never ever have an agreement if it’s not written”*
- “Never trust a person if you have not seen it yourself i.e confirm/verify”*
- “Plan, plan, plan, plan again before you execute”*
- “Select who you deal with and who you work with”*
- “If someone has disappointed you once, they will do it again, it’s in their nature”*
- “Working with people of high morals is imperative and advantageous”*
- “Never lose the intent of the agreement”*
- “Associate with people whom you have common morals then you have a good chance”*
- “I am too direct, this can be classified as a mistake”*
- “I would rather lose a client than chase the money, I don’t chase the money”*
- “It can only pay my bills”*
- “Have the right accountant”*
- “Need to know certain things but you can’t know everything”*

"Systems must be in place"
 "If you have a question about something, don't ask for an answer, find an answer yourself"
 "There are so many things to learn in business but it comes with time"
 "Quickly learned to balance things out in the process i.e buy one vehicle at a time instead of buying 3 at once"
 "Very cautious in terms of cash flow, I always want to see positive cash flow"
 "Didn't invest early enough"
 "Entering into wrong partnership"
 "Incorrect staff hire"
 "Funding structure was incorrect"
 "Should have done many things sooner"
 "Work is done in advance before I travel and I use technology"
 "Don't overspend, be very structured, get a second opinion"
 "Learn by mistake"
 "Dealing with people and then they let you down"
 "Buying right has always been key & knowledge of the area helps"
 "Financial planning goes hand in hand with performance"
 "Be scientific in your approach"
 "Location and proximity is vital"
 "The closer you are, better ability to work on your business"
 "I don't even give my wallet to my wife, why would I give my finance to someone else"
 "3 Pillars /value chain marketing and sales corporate governance and admin (outside people) Finance (my baby)"
 "In the past I trusted people and they did not deliver"
 "Control finance"
 "Eliminate risk"
 "Regardless whether for good of the business, you must do things right"
 "I was naïve to think that SARS would come to me last & I am a small fry"
 "Pay my taxes, respect the tax man"
 "Starting a business without market research is suicidal"
 "Market research always provides lesson."
 "Entrepreneurs often respond in a knee-jack reaction (I have done quite a lot)"
 "Also becoming overzealous and not taking into account the community you service i.e building a 5 star hotel in a 1 star community, realised after the effect"
 "Realised when reality does not meet expectation"
 "Lack of understanding to work the percentages when we run losses (gross profits, net profit, growth etc.) We count the money but ignore the finer details" "This is also as a result of poor education aimed at black people"
 "Taking long to make a decision we should have closed that workshop earlier"
 "Entering into agreements without properly understanding some clauses and ultimately their implications"
 "Not properly structuring the deal to buy into this business"
 "Someone must have the final say in the business in cases of partnerships".
 "Never pay for the business without getting financial statements"
 "Understand that you are in business to make money"
 "Not all franchisors have your back"
 "Don't trust the franchisor"
 "Owner presence is pivotal in any business"
 "Franchisor don't care, as long as they are getting their Royalties"
 "If you are running a business, you have to be a top of your game"
 "You are in business to make money"
 "Should have invested in property"
 "Could have invested into equipment/ assets for my business"
 "Brother in law decided to commit suicide because of business pressure & mistake. Often entrepreneurs feel alone- pride and they, don't want to let anybody down"
 "His suicide affected me but also motivated me to start my own business plus I was working long hours at woolies managing R400m store"
 "Partnership to buy a truck, truck ran until the drivers started stealing (tyres, diesel etc)"
 "This is a ruthless business, you are dependent on a reliable driver, truck and competitors want to undercut you"
 "No contract, don't invest"
 "have a backup plan. I could venture into something because my wife was successful (she was my contingency plan)"
 "Taking things for granted when things are going well"
 "You are your business and you need to continue to work hard on your business"
 "Lesson Can't keep putting money into a dying business."
 "Do not expand too quickly"

- "find partners to add value as opposed to passive investors"*
- "Always keep monthly management accounts"*
- "Partnership is key"*
- "Investments is never a group vision but it's always an individual that has a vision and others follow/ support"*
- "Either my vision that is being supported or I support the jockey, his / her values attached to it"*
- "Reason for failure is an opportunity for another"*
- "Always look at the positive side"*
- "Always look at big things that challenge me"*
- "Seek unique projects"*
- "Seek guidance from professionals, mentors and competitors"*
- "Control stock in order to free up cash"*
- "Biggest trap is cash flow in SME"*

This points to certain consideration in theme development

- Investment is systems is pivotal
- Financial Management is a necessity for success
- Legal aspect of business cannot be escaped
- The entrepreneur is the one that glues everything together
- Partnership and trust are intertwined

4.5.6 CONTEXT

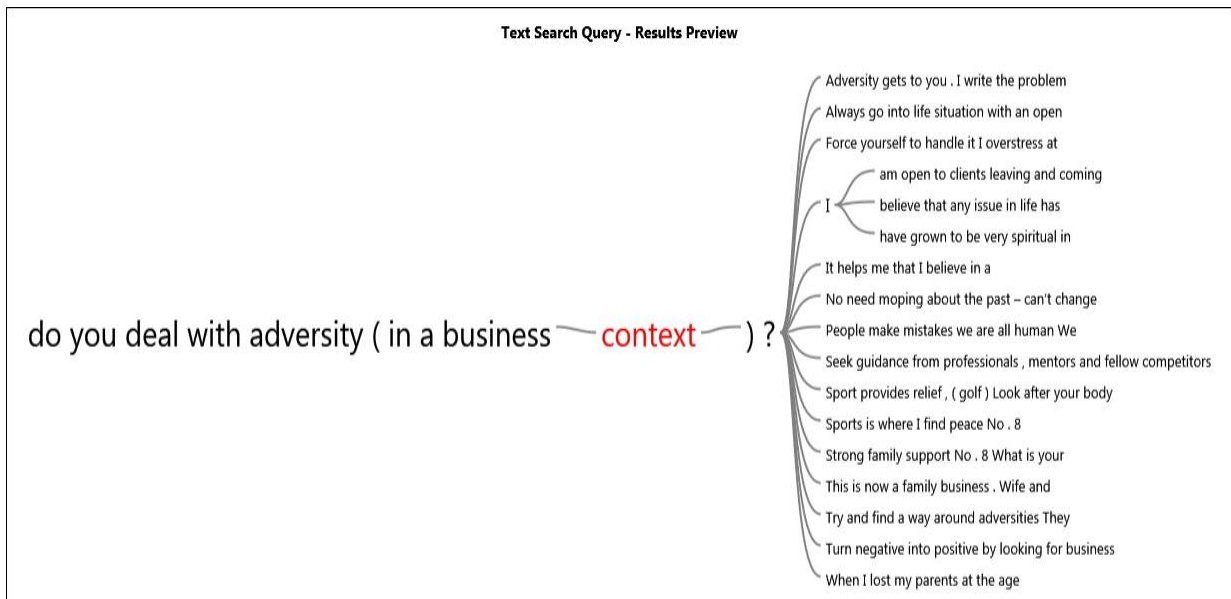


Figure 4.7: Context
Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

“No need moping about the past – can’t change the past. Can only change the end result and not the past”
 “Every adversity is an opportunity to improve things”
 “If a supplier changes his rules, gives you an opportunity to find a new one”
 “When you have issues with unions, you look at your staffing needs closely”
 “When things go well, there will be challenges that you had not plan coming your way”
 “Continuously reinvent yourself”
 “Turn negative into positive by looking for business”
 “Read a lot of spiritual books”
 “I believe in a heaven power”
 “I don’t let financials issues get to me”
 “Material things are just there and will pass”
 “Spiritual strong, I can face anything”
 “I write the problem down and plan it on paper”.
 “Expunge the issue out of your being by jotting it down on paper”
 “Try and find a way around adversities”
 “Networking with people who are in the industry helped me a lot”
 “I use other entrepreneurs to benchmark myself”
 “Force yourself to handle it”
 “Do what needs to be done, as long as you do it for the right reasons”
 “I believe in client service”
 “People make mistakes we are all human”
 “We sometimes forget but we must remain calm and offer solution”
 “I believe that any issue in life has more than one solution”
 “Seek alternatives, step back, look from outside, different industries/people”
 “Talk to people”
 “Contextualize adversity, where does it fit in life”
 “Accept the time lines in life”
 “Take advise and learn from others”
 “Seek advice from people and professionals”
 “Never give up”
 “Learn from others”
 “It helps me that I believe in a higher power”
 “Where I can’t I know that God can”
 “God is my primary partner and with Him I know that I can weather any storm”
 “I am not a quitter; I persevere a persist”
 “I am a leader by nature, so quitting does not exist in my vocab”
 “I read a lot and these motivational stories inspire me and I also aspire to create a story that can motivate others”
 “Always go into life situation with an open mind”
 “Define your expectations”
 “Understand other players in your industry”
 “Adversity becomes part of your operation”
 “You always face up to adversity”
 “Have a plan B”
 “Have courage, money does not make you successful but courage to make a success”
 “Courage goes hand in hand with working hard & culture of hard working”
 “Look after your body because it’s your greatest asset”
 “Strong family support”
 “I have grown to be very spiritual in my decisions development”
 “I pray and consult God”
 “My son is my partner and I share them with Him”
 “Draw strength from future”
 “Sports is where I find peace”

This points to certain considerations in theme development

- Family and business
- God and business

- Networking, consulting and growth
- Inner ability

4.5.7 FINANCE

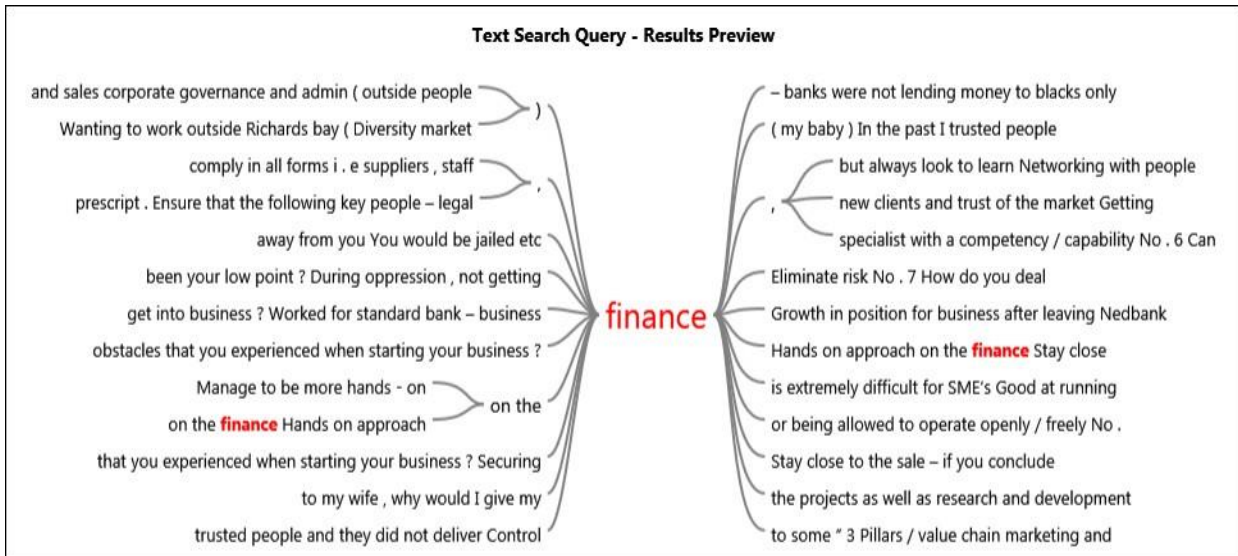


Figure 4.8: Finance

Source: Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

“Lent family money”

“When I had to lend family money for the second time, I acquired 50% in the business. Decided to leave corporate and get more involved”

“I needed to earn income”

“My job paid R400 per month”

“Secured finance, new clients and trust of the market”

“Clients equal revenue”

“No profits initially”

“My salary bill was R200 000 per month”

“Funding incorrect”

“No desire to get money at all cost”

“I am frugal, save, live debt free and preach to my staff the same principles”

“I realized I could make money”

“I liked properties but I never had money”

“Buying right has always been key and knowledge of the area helps”

“Make money without outlaying much”

“Be more active on the finances of the business”

“By controlling the finances, you eliminate risk”

“Lack of financial management, I would look at our bank account and think the money was ours”

“We decided to use our first profit for ourselves as opposed to investing on the property”

“Fund raising is a challenge”

“Learn to leverage of other people’s funds”

“Borrowed R80 000 from Small Business Development Corporation”

“Finance – the banks were not lending money to black entrepreneurs, only KwaZulu Finance and Small Business Development Corporation lent to black entrepreneurs”

“Security was a pre-requisite for finance”

“Finance is extremely difficult for Small Medium Enterprises”

“Recent bank experience with debtors level clauses. Our loan agreement with the bank has a clause which were not aware of which required us to maintain a certain book debt otherwise the bank would call up the loan”

“Ability to identify and value a good business, I initially invested R900 000 in my first business, Richards Bay Tool Hire”

“Finance the project as well as research and development”

This points to certain considerations in theme development

- Funding obstacles for businesses
- Politics and business
- Leverage funding

4.5.8 BUSINESS



Figure 4.9: Business

Source: NVIVO 10

Looking at the above tree map, certain sentences/comments were noteworthy, namely:

"Managed this business (Brokerage business)"

"I then bought the business"

"I Worked for Standard Bank – business finance"

"Growth in position for business after leaving Nedbank"

"Made a promise to be a partner in a broking business in 1983. Owner, withdrew due to racial discrimination"

"Parents were in business"

"Always been involved in business"

"5 Businesses he left behind"

Went for hair dressing courses, but when Rio Tinto approached me to start my business. I grabbed it with both hands"

"I got into business to follow my vision"

"Owning a business was my childhood dream"

"Core Business is meat, this is the formal business, lost my father at the age of 14 and started selling veggies and fruits when I was in High School. I fell in love with retail at that point"

"First business was a Sausage Salon, I managed to grow the turnover from R30k to R150k in 6 months (situated in Cresta – Johannesburg)"

"Richards Bay Tool Hire started in 2008, this is my current business"

"Ability to identify & value good business (R900 000 initial investment – Richards Bay Tool Hire)"

"Post 1994 Economical change in terms of doing business in South Africa, the introduction of BEE legislation"

"Used reserves to fund equity stake in an existing business"

"The business operates in all Ports in South Africa, its therefore a strategic one for South Africa"

This points to certain considerations in theme development

- Business is entrenched in the entrepreneurs' being
- Being in business is about being strategic
- Good work experience background is vital for entrepreneurship
- Entrepreneurs are opportunity takers
- Entrepreneurs are versatile

4.5.9 INDUSTRY/INDUSTRIES

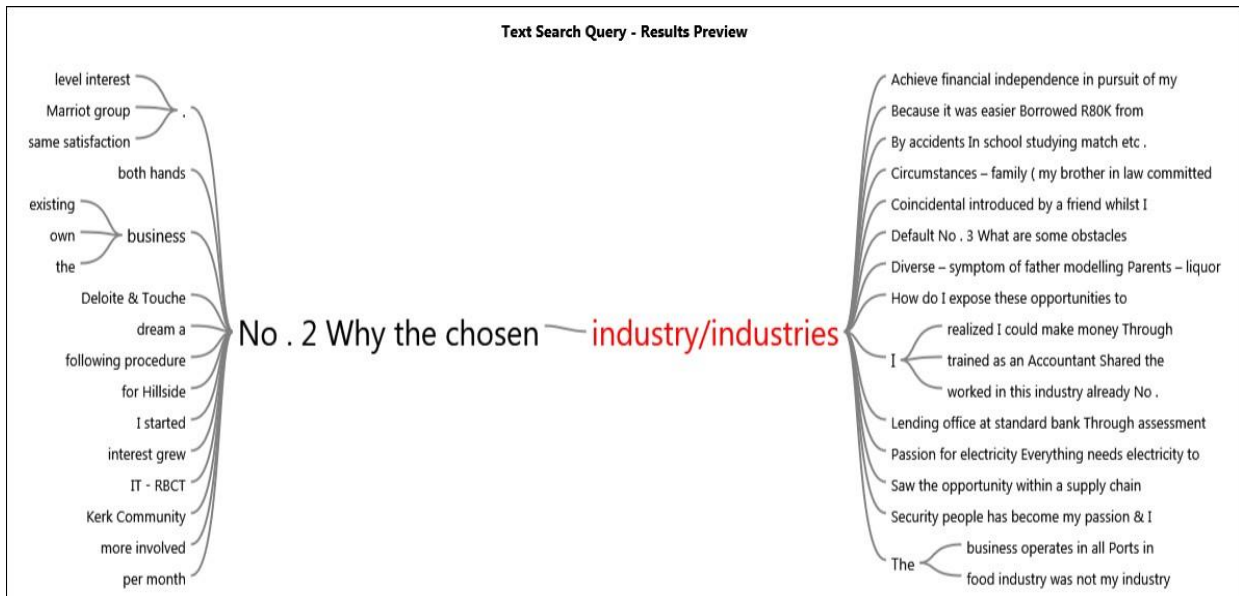


Figure 4.10: Industry/Industries

Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

- "I trained as an Accountant"*
- "I worked in this industry already"*
- "Coincidental introduced by a friend whilst I was employed"*
- "Business Interest grew stronger and stronger"*
- "Seeking self-employment was a strong motivation"*
- "In school studying match etc. - father took ill"*
- "Could not find a job, too black for office, too skilled for a till, sewing in between"*
- "I realized I could make money"*
- "Through the Marriot group"*
- "Lot of administrative duties – today – corporate governance"*
- "Security has become my passion and I see the need"*
- "Achieve financial independence in pursuit of my vision"*
- "Exploited what people saw as challenge into opportunity"*
- "Because it was easier"*
- "Borrowed R80K from SBDC (Small Business Development Corporation)"*
- "Saw the opportunity within a supply chain at BHP Billiton"*
- "Passion for electricity"*
- "Everything needs electricity to function"*
- "Circumstances – family (my brother in law committed suicide and I was forced to take care of the family)"*
- "The business operates in all Ports in South Africa, its therefore a strategic one for South Africa"*
- "How do I expose these opportunities to individuals"*
- "The food industry was not my industry of choice, but by default"*
- "Shared the premises and the co-tenant did not pay his portion. I had to foot his bill"*

This points to certain considerations in theme development

- Past experience is a good starting point
- Education is important for entrepreneurship success
- Circumstances contribute to entrepreneurship

4.5.10 MONEY

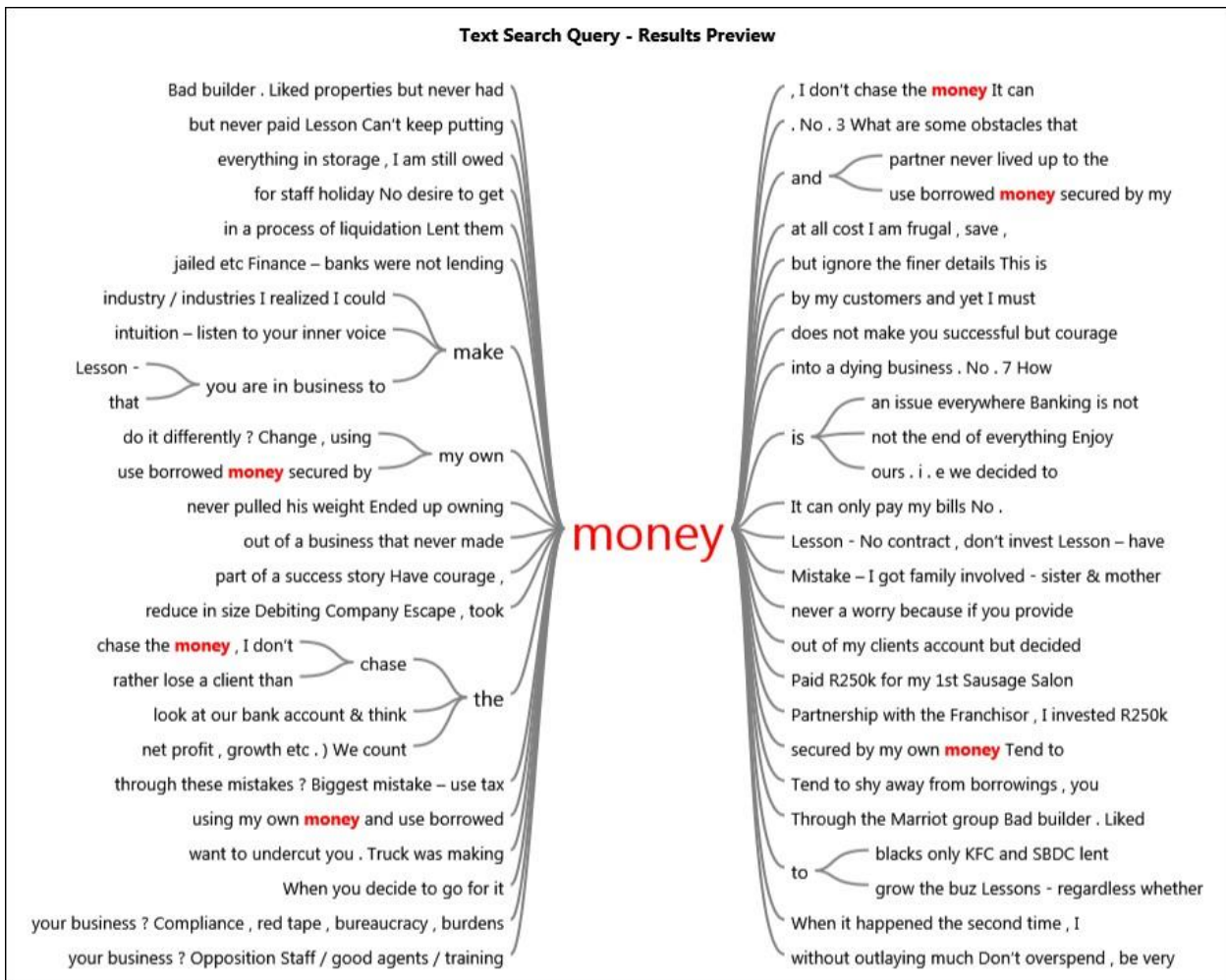


Figure 4.11: Money

Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

- “Father in law in a process of liquidation”
- “Lent them money”
- “Create a slush fund for hard times”

“Compliance, red tape, bureaucracy, burdens”
“Money is an issue everywhere”
“Money is not the end of everything”
“Debiting Company Escape, took money out of my clients account but decided not to pay the client”
“No desire to get money at all cost”
“I am frugal, save, live debt free and preach to my staff the same principles”
“I realized I could make money”
“Liked properties but never had money”
“Make money without outlaying much”
“Don’t overspend, be very structured, get a second opinion”
“Got into property with Marriot group”
“Biggest mistake – use tax money to grow the business”
“Change, using my own money and use borrowed money secured by my own money”
“Tend to shy away from borrowings, you end up depleting your own cash / resources then no back up”
“You would be jailed etc”
“Finance – banks were not lending money to blacks only KFC and SBDC lent to black people”
“First business was a Sausage Salon, I managed to grow the turnover from R30k to R150k in 6 months (situated in Cresta – Johannesburg)”
“Now, when I had to put everything in storage, I am still owed money by my customers and yet I must continue living”
“Partnerships - Family & friend- Partner never pulled his weight”
“Ended up owning money and partner never lived up to the agreement”
“Everybody has a full life – pay for staff holiday”
“Lesson - You are in business to make money”
“Lesson - This a ruthless business, you are dependent on a reliable driver, truck and competitors want to undercut you. Truck was making money”
“Lesson- No contract, don’t invest”
“Money never a worry because if you provide quality service people always come back”

This points to certain considerations in theme development

- Money and business
- Business finance
- Cash flow management in business
- Regulations, policy and entrepreneurship

4.5.11 POINT

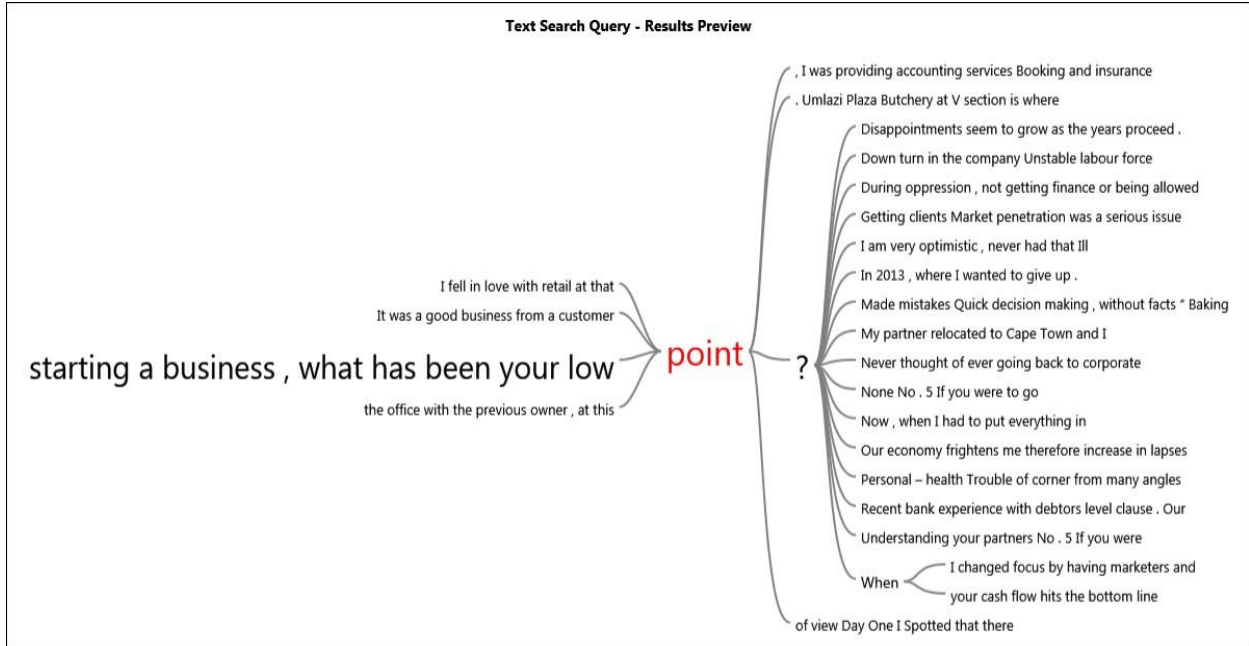


Figure 4.12: Point

Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

“Signing over ownership during my divorce and starting all over again. I learned from this mistake”

“Shared the office with the previous owner, at this point, I was providing accounting services”

“Our economy frightens me therefore increase in lapses”

“Personal – health”

“Booking and insurance are interrelated”

“Trouble every corner from many angles”

“I am very optimistic”, never had that”

“Quick decision making, without facts”

“In 2013, where I wanted to give up. Came as a results of my decision. After assessing the market, my partners were only provided physical security whilst the trends/ were electronics, we dived into this without market research & funding. We almost closed doors but we persevered”

“Change, using my own money and use borrowed money secured by my own money”

“During oppression, not getting finance or being allowed to operate openly/freely”

“When your cash flow hits the bottom line and cannot meet your obligations”

“When you sick you start thinking of unfinished business”

“Umlazi Plaza Butchery at V section is where I started”

“Recent bank experience with debtors level clause. Our loan agreement with the bank has a clause which we were not aware of which required us to maintain a certain book debt otherwise the bank would call up the loan”

“My partner relocated to Cape Town and I was stuck with an investment which I never intended running”

“When I changed focus by having marketers and focused on admin, I had to quickly change this strategy because marketers didn’t perform. Then I decided to reduce in size”

“Downturn in the economy”

“Unstable labour force”

This points to certain considerations in theme development

- Economic outlook from entrepreneurs' perspective
- Market penetration
- Economy and personal wealth
- Client and business

4.5.12 OPPORTUNITY



Figure 4.13: Opportunity

Source: NVIVO 10

Looking at the above tree map, certain remarks/sentences were noteworthy:

- "Through assessment of credit, I realized that property was the growth opportunity"*
- "As my property portfolio, qualifies debt councilor after NCA came into operation"*
- "If a supplier changes his rules, gives you an opportunity to find a new one"*
- "Not by choice, there was an available opportunity"*
- "MD used this 2% difference in ownership to outvote me and make the final decision"*
- "How do I expose these opportunities to individuals"*
- "Reason for failure is an opportunity for another"*
- "Always look at the positive side"*
- "I always look at big things that challenge me"*
- "Went for interview, passed everything, but denied because of age"*
- "The new opportunity did not work"*

This points to certain considerations in theme development

- Opportunities for individuals
- Choices and opportunities
- Failure and opportunity

4.5.13 OBSTACLES

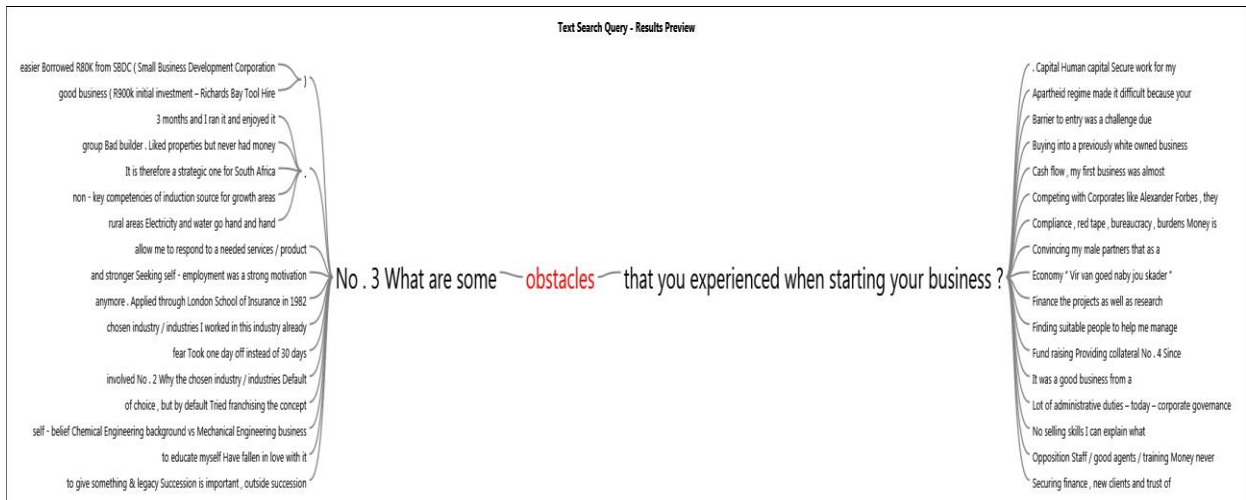


Figure 4.14: Obstacles

Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

“Competing with Corporates like Alexander Forbes, they have their own schemes”

“People only looking at the premium and ignoring the service aspect”

“Securing finance, new clients and trust of the market”

“Getting qualified”

“Cash flow, my first business was almost a start-up”

“Avoided taking a loan”

“Knowing the intricacies of running a business”

“Managing cash flow as I also dependent on it”

“Had to down grade my life style”

“Compliance, red tape, bureaucracy, burden”

“Weak business confidence”

“Competition wants you to suffer – Death threats”

“Other people do the selling for me”

“Never done cold calling”

“Opposition, staff / good agents / training”

“Money never a worry because if you provide quality service people always come back”

“This is a cut-throat business”

“Lot of administrative duties – today – corporate governance”

“Make sure you follow the rules”

“People must buy into your vision”

“Create a performance culture, allow for competition amongst staff – they must have a worry that they are under achieving so that they can over achieve”

“Convincing my male partners that as a female I can add value”
“I had limited experience”
“It’s a male dominated industry”
“I had to learn a lot about the nuts and bolts of running this business and industry”
“Dealing with confidence issues – I was perceived as being given the business as opposed to starting from scratch. I had to overcome”
“Fund raising and providing collateral”
“Apartheid regime made it difficult because your stock will be stolen, taken away from you”
“Finance – banks were not lending money to blacks only KFC and SBDC lent to black people”
“Security was a pre- requisite”
“Blacks were not allowed to own land”
“KFC’s/ Zulu government had the deed of grant like the title deed”
“Blacks were not allowed to buy from the market or large wholesalers”
“Buying into a previously white owned business”
“No electricity in the rural areas”
“Electricity and water go hand in hand”
“Finding suitable people to help me manage my business”
“Trusting, Finance the projects as well as research and development”
“Having to prove myself all the time”
“Finance the projects as well as research and development”
“Having to prove myself all the time”
“Vir van goed naby jou skader” English translation: The little jackals that destroy the vineyard”

This points to certain considerations in theme development

- Overcoming obstacles
- Entrepreneurship and challenges
- Security and entrepreneurship
- Confidence essential to entrepreneurship
- Entrepreneur and relationships

4.5.14 MOTO

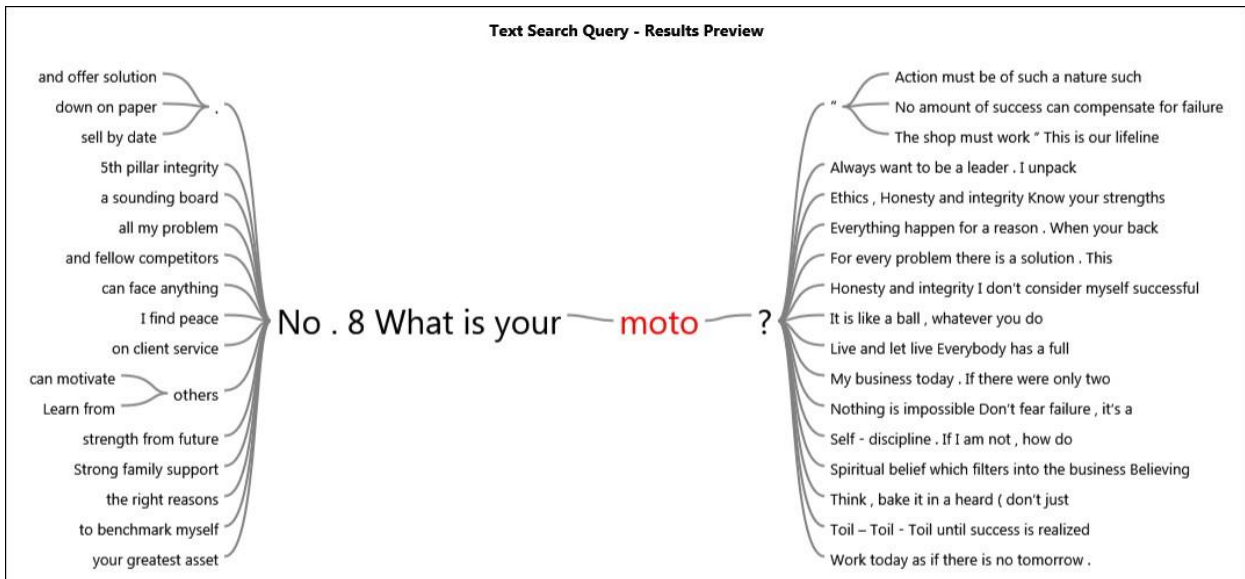


Figure 4.15: Moto

Source: NVIVO 10

Looking at the above tree map, certain sentences were noteworthy:

- "My business today. If there were only two business in the world, my company today and my company a year ago. Then my business today should put my old business out of business"*
- "If you are challenged with a decision you always know the right decision, even if it's the hard one, make it"*
- "I don't consider myself successful because I do what I do because I love it"*
- "How I can change people's lives positively"*
- "Prepared to walk away from business that can harm many family"*
- "Spiritual belief which filters into the business"*
- "Believing in goodness, hard work"*
- "Whatever happens to me is a consequence of a decision that I make"*
- "The life that you live is reflected in your business"*
- "You reap what you sow"*
- "Action must be of such a nature such that I never have to hide from you"*
- "Live and let live"*
- "Ethics, Honesty and integrity"*
- "Know your strengths"*
- "Think, bake it in a heard (don't just do things, allow the idea to mature)"*
- "Clear the idea, apply resources cost it and decide to go for it"*
- "Management autocratic, but be a team player"*
- "Go all out in implementation"*
- "Over learn, over practice, over analyze"*
- "Train for 100min to play 80 min"*
- "Life and business, the salary, you can predict the outcome"*
- "For every problem there is a solution"*
- "This helps me in difficult situations it forces me to dig deeper whenever I face challenges. It does not have to be the solution that I was looking for but it is a solution"*
- "Work today as if there is no tomorrow"*
- "It is like a ball, whatever you do today it will come back tomorrow"*
- "Do good today, accept and help people so that tomorrow it can come back to be good"*
- "When you buy something you must pay the supplier so that your customers will pay you too"*
- "Whatever you do today will come back tomorrow"*

"Making profit does not supersede making the customer happy"
"A happy customer always comes back"
"Nothing is impossible"
"Don't fear failure, it's a stepping stone, the more you fail, the more you become better"
"Understand that the funds belong to the business"
"Reinvest in the business"
"Leave a legacy"
"Set your goals (achievable) and stick to them"
"You can achieve anything if you are self-disciplined"
"Tell me solution / alternative and don't bombast me with problems"
"Everything happen for a reason. When your back is against the wall, you make the best decisions"
"It's important to know what you want in life and what you need. You may want a lot of things but do you actually need it"
"Always want to be a leader"
"I unpack the value chain for others to also participate"
"Broaden the scope"
"Toil, toil, toil until success is a reality"
"The shop must work" This is our lifeline"
"Acknowledge our cultural differences and deal with it"
"Do what you are comfortable with"
"Deal with drama immediately"

This points to certain considerations in theme development

- Perseverance and entrepreneurship
- Fear and failure
- Creativity and entrepreneurship
- Tough decision making
- Culture, beliefs and values
- Planning and hardwork

4.6 CORE THEMES

For the purpose of this study an inductive thematic analysis was followed whereby codes and themes emerged from the data that was obtained through face-to-face interviews with the entrepreneurs. The detailed discussion under each theme pertains to comments gathered from entrepreneurs interviewed during data collection.

This lead to the development of the following themes

- Entrepreneurial Behaviour
- Economics of Entrepreneurship
- Entrepreneurial Opportunities

- Impact of regulatory policy
- Entrepreneurship and decision making
- Mistakes made by entrepreneurs
- Business Education
- Entrepreneurial support

The core themes identified, aim to address the objectives identified in the study.

4.6.1 Objective One: To establish a relationship between a mistake made by an entrepreneur and the success of that particular entrepreneur.

Section B, Questions One, Two and Three address how the entrepreneur got into business, the chosen industry and the entrepreneurs' motto.

As can be seen from the Word Cloud (Figure 4.1), the following themes can be associated with the first objectives and associated questions.

4.6.1.1 ENTREPRENEURIAL BEHAVIOUR

Entrepreneurs are a rare breed, they act and behave differently. Lots of people aspire to entrepreneurs but a few live up to the task. Entrepreneurs are ordinary people that do extraordinary things. The way and manner in which they conduct themselves is unique. Often an aspiring entrepreneur can be found “wanting” because they lack flexibility to adapt to the changing market conditions. How they (entrepreneurs) behave ultimately determines their future.

Businesses are built on sound strategies that are able to remain sustainable through the business cycles. Businesses experience different cycles during their lifespan. It is their sound business strategy that makes the difference between success and failure. Whichever strategy the entrepreneur adopts, it needs to be well researched and has to add value to the business in the long run.

When the business delivers good results consistently, one might classify themselves as successful. Many entrepreneurs succeed because they are consistently delivering on their promise. Take a franchise business like Wimpy for example, they have managed to establish themselves as a food destination outlet, this feat can be attributed to their ability to consistently deliver the same quality product irrespective of the location of the outlet. A customer can visit any Wimpy outlet with a predetermined expectation and more often than not, their expectation will be met. In a typical franchise business, things that are consistent are the processes, quality of the product and systems.

Even international market has a predetermined expectation and consistency is extremely important for their success as well as sustainability. Consistency breeds success and the more consistent the business, the greater the results. To prove this, speak to an athlete who has just won a marathon or a golfer who has just won a championship. They relate their victory to the consistent effort invested over time.

Consistency is important because it makes the business operate seamlessly. It means to flow constantly and smoothly. The customers know that they can rely on certain entrepreneurs, their businesses, and this means ongoing support which ultimately leads to success. Average businesses succeed mainly because of their consistency in delivering a product or service.

As the business owner, there is a need to clearly understand the target market and their expectations. Then thereafter it's simply just about consistently delivering on the promise. This does not mean that change is bad and that one should not be inflexible. Simply put, within the dynamic environment, either through processes, quality or system, the entrepreneur needs to consistently meet the customers' desire.

Many entrepreneurs find it difficult to continuously keep up to speed with the developments around them, more specifically with regards to those that affect their industry as well as all the regulations and legislation. In a large business environment, one would normally have specialised departments that look into these fields, but an entrepreneur is expected to be well versed in different spheres of the business environment. In order to stay in business, successful entrepreneurs find a

way of keeping abreast. In order to stay ahead of the pack, your focus should not only be on product or service development, but also on the need to understand the impact of the legislative and regulative issues that could ultimately influence your industry.

Keeping up with all the changes is difficult and virtually impossible for some entrepreneurs. Successful entrepreneurs place a lot of emphasis on systems and controls. Continuous development is at the forefront of their business model. This could be the difference between being great and being exceptional. The people and organisational culture is very important to the success of any enterprise. The team makes or breaks the business, so keeping them motivated and on the ball; is vital.

4.6.1.2 ECONOMICS OF ENTREPRENEURSHIP AND ENTREPRENEURIAL OPPORTUNITIES

4.6.1.2.1 FINANCE

Finance is a key element to ensure success of the business, as wrong funding structures and options can be dire for the business. The cost of funding is an inherent part of the business' overhead structure and over reliance on debt to fund the business can potentially have devastating effects on the long term success. The debt repayment is one of the largest expense items and will impact materially on the turnover break-even point of the business. Cash flow projections are used as a key measure to determine the optimum level of own capital required. A single policy on the debt to equity ratio cannot be applied across all businesses as it is influenced by market conditions and expected performance levels, growth prospects and the individual business' overhead structure.

Given the above, the ideal scenario is where the business is entirely funded from own sources, savings or pooled family resources and supported by minimal debt. In the limited cases where this is possible, the entrepreneur risks not having backup finance for unforeseen costs, and also limits the ability to leverage own resources to expand the business at the appropriate time.

Every business at some point or another seeks capital injection. This injection can come from several sources ie. private personal funders, private and public financiers. In many instances, private personal finance is not an option, so the business owner is left with no choice but to convince private or public financiers to back their enterprises. Entrepreneurs interviewed often had some experiences to share on the challenges that they faced when they were sourcing finance for their businesses. There were some common challenges experienced by the individual entrepreneurs.

Fortunately, for large corporates, they have a dedicated department that looks after the finances of the organization, but for SMME's (Small, Micro and Medium Sized Enterprise), the entrepreneur, is ultimately responsible for the overall activities of the business including financial matters. The degree and level of understanding required in order for one to best deliver on their role, is huge. Successful entrepreneurs generally have a good understanding of the finances of their business. Many investors will be reluctant to plough funds into a business where the jockey (entrepreneur) does not know how the finances in the business work.

As a business owner, you should set aside time to discuss the finances of the business. This means at least once a month, a proper analysis of management accounts and within six months after year end, discussion of Annual Financial Statements. A good accountant plays a critical role to the success of entrepreneurs. Remember, financials are first and foremost for the jockey and not a third party. If this financial information is never discussed at length to interpret it's meaning, then it's not worth the paper it's written on. Financial statements are so foreign to some entrepreneurs; this is not ideal. If not understood or misinterpreted, the business could be operating profitably yet losing money without knowing, it could be going backwards without knowing and this could eventually catch up with the entrepreneur if it remains unresolved.

Financial statements show the financial position of an enterprise at a given point in time, usually a 12 month period. Furthermore, they reflect the performance of the business and are a useful tool for both internal and external stakeholders. By

analysing financial statements, one can assess the efficiency and performance of an enterprise. Add to that the following:

- they measure profitability;
- indicate the trend of achievements;
- assess the growth potential of the business;
- gives a comparative position in relation to previous years as well as other firms
- assesses overall financial strengths including solvency and liquidity of the enterprise and this can be compared to other firms etc.

There is just so much information that one can gather from financial statements and as a stakeholder, the entrepreneur should analyse the financial statements in order to gather sufficient information to making a sound decision. The Financial Statements are important to all the stakeholders but as the captain of the ship, the decision that ultimately lead to success or failure, lie with the entrepreneur.

Every entrepreneur should have a clear road map of how the business can be financed, no guesses and indecisions. There are plenty sources of finance, do your homework on the financier so that when it's time to approach them, their respective funding criteria are clear, achievable and they are able to structure your finance needs appropriately.

The financiers will also look closely at your contribution in the business. An immediate red flag for financiers is where the entrepreneurs' loan account is overdrawn and at the same time they are seeking finance. It becomes very difficult to motivate funding for your enterprise. Furthermore, an entrepreneur should conduct their own due diligence around their own business. Evaluate your enterprise; understand the risk associated with your business and industry. Conduct a thorough and honest SWOT analysis. Often entrepreneurs ignore or play down their weaknesses and this allows the competitors to pounce on these weaknesses.

4.6.1.2.2 CASH FLOW MANAGEMENT

Cash Flow Management is the process of planning, monitoring, analysing and adjusting the business effectively. Effective management of this process can mean the difference between success and failure; keeping the doors open or displaying a “To Let” or “For Sale” sign on the premises. Every business needs to regularly perform a cash flow analysis and use cash flow forecasting so as to take preventative measures well ahead of any potential cash flow problem. Some aspects of the business operations that are imperative to effective cash flow management encompass:

Credit control: Designing sound credit policies that ensure credit is only granted to deserving customers. Invoicing and collection of funds is efficient and effective.

Order fulfilment: Delivering on time, the right quantity and quality, this ensures that payments are received on time. Planning the workload properly and accepting orders that the business is capable of fulfilling forms part of this process. Informing customers in advance when delays with deliveries are going to be experienced.

Ineffective marketing: This may result from ineffective use of marketing tools. Create a marketing strategy that can reach the customers effectively.

Cash controls: Having poor cash controls could be very detrimental to the business. Imposing stringent controls on cash is imperious.

Inefficient ordering systems: Systems should be user-friendly and customers should be able to deal with the business efficiently by avoiding any complicated procedures.

Management accounting: Every business should be able to account for its activities; therefore, proper record keeping leads to accurate accounting.

Supplier management: Developing a supplier management system that enables the entrepreneur to manage the suppliers is important. Some suppliers overcharge or take lengthy periods to deliver, an efficient supplier management system would caution the business against these suppliers.

Controls of the gross profits or overheads: Every business should develop its own pricing model and prepare budgets to ensure that overheads are kept within targets.

Although there are other situations that may give rise to cash flow problems, the above is not the exhaustive one. Every business should always strive to build up a positive bank balance thereby ensuring that the business is able to trade effectively and grow. The other aspect is managing this positive bank balance effectively by using this surplus to earn a good return. This may be achieved by investing the excess cash where it will earn a higher rate of interest, or use it as capital for short term investments.

4.6.1.3 IMPACT OF REGULATORY POLICY

Regulations and policies both internal and external govern the manner in which the business is operated. An entrepreneur needs to understand the regulations and policies in order to ensure that they don't fall foul of neither thereby avoiding unnecessarily hiccups. Regulations and policies are imperative to stakeholder engagement and management. Different sectors and industries have their own specific regulatory framework and all the businesses need to operate within the ambits of these frameworks.

4.6.2 Objective two: How successful entrepreneurs are able to convert mistakes into success.

Section B, Question Five and Seven address how the entrepreneurs interviewed responded after making mistakes.

4.6.2.1 ENTREPRENEURSHIP AND DECISION MAKING

Entrepreneurs are the engine room of any economy. Entrepreneurs are individuals who are willing to put everything on the line in order to realise their dreams. They take risks and in return, are reimbursed for their efforts. To be an entrepreneur is to be a servant, learn to contribute towards people, you will be rewarded.

Entrepreneurs seek high achievements. Being an entrepreneur is not a job or career; it requires dedication, ambition, passion, hard work, commitment and vision. People often want to become entrepreneurs for the wrong reasons. It is important to know why you want to become an entrepreneur. Entrepreneurs play unique and multi roles in their businesses. An entrepreneur must be well versed and possess a variety of skills like human resources, costing, marketing, finance etc.

The key to successful entrepreneurship is having a clear vision, purpose and values. A dream and a vision are not the same but dreaming is where one begins to create a vision. Successful entrepreneurs are able to ensure that their team shares in their vision. Once the whole team is working towards a common vision and this vision is transmitted in the culture of the organisation, then chances of the organisation succeeding are greatly enhanced.

4.6.2.1.1 FOCUSED APPROACH

The costs of running a business are perpetually on the rise and there is mounting pressure on businesses to cut their overheads, which basically translates into doing an assessment of their business strategy. Very often during the growth phase of a business, the business owner tries to be everything to everybody. This however is not possible. Businesses end up overpromising and under delivering, and this can be very detrimental to any business. This can have a negative on the life of the business.

Focus is one of the most used and successful business strategies. It allows for one to properly manage the activities of the business thereby ensuring efficient and effective use of resources. This strategy eliminates the unnecessary add-ons which drains resources and ultimately increases the cost of doing business. If the entrepreneur is able to manage the costs, both variable and fixed, then their business has a better chance of surviving.

Focus as a strategy may lead to outsourcing, however many businesses fear outsourcing mainly because of loss of control. Outsourcing if mismanaged can result

in huge losses both financially and non-financially. If a company decides to go with the option of outsourcing, then there is a thorough exercise that must be done to assess and eventually select the appropriate supplier. Rather spend energy on getting this exercise as opposed to delivering a mediocre product or service. Accept that as a person, you are not the jack of all trades and dedicate time and energy focusing on your strengths.

4.6.2.1.2 SETBACKS

The setbacks experienced are a wonderful opportunity to learn. Not only can one learn in a critical sense from things that have gone wrong, but one can come to understand what led to make the choices made. When things go wrong, questions pop up, around the judgment, decision etc. Setbacks create doubt i.e is the right goal being pursued? Suitability of the entrepreneur to the goal being pursued? Did the entrepreneur do enough homework or was the information gathered insufficient? Was the approach or implementation of the decision both appropriate and effective? These are some integral questions that can lead to learning.

Often entrepreneurs starting self-employment for the second time will tell you that the difference in their second chance was better knowledge of themselves, their capabilities and commitments. True entrepreneurs don't fail once and give up, but they learn from failures, thus they have gained something in the process. Continuous review of your business plan is key to measuring the achievements. During this review process, the entrepreneur will be checking their current performance against planned performance and this should then lead to the investigation of the variances. Take lessons from these outcomes and implement positive changes. If you ignore your own role in an unsuccessful effort, you will fail to think and learn from your own mistakes.

The worst thing one can do as an entrepreneur is failing to plan ahead. Entrepreneurs need to always have their finger on the pulse and be flexible in order to remain relevant. Entrepreneurs don't expect things to change, they make the

change, anticipate change and are proactive. They avoid the know it all, been doing it like this for ever syndrome. Entrepreneurs continuously seek ways or means of improving their product or service offering. Avoid being stagnant as it may render your product or service irrelevant. They keep abreast with the developments in their industry, surroundings and market. Most of all, enjoy what they do.

4.6.2.2 MISTAKES MADE BY ENTREPRENEURS

Sixteen entrepreneurs were interviewed and they shared an array of mistakes that they made along their entrepreneurial career path. To highlight a few:

- Inappropriate partnerships or partnerships going wrong
- Selecting a wrong supplier
- Outsourcing gone wrong
- Incorrect hiring
- Agreements not drafted properly, misunderstood and in certain cases, no agreements
- Getting family involved in business
- Trusting too much
- Over reliant on other people
- Team mismatch
- Loss of focus
- No systems in place
- Being naïve
- Incorrect funding model and structure
- Inappropriate use of funds (tax funds)
- No control over the finances
- Not sufficient market research conducted
- Not investing in property early enough
- Not getting into business early enough
- No/poor accounting services

4.6.3 Objective three: Draw a list of lessons that can be learned by aspiring entrepreneurs from the near demise mistakes made by successful entrepreneurs.

Section A, Question Three under Demographic Information is concerned with the level of education of the particular entrepreneur.

Section B, Question Three and Five deal with lessons learned from mistakes made. Drawing from experience in order to learn.

4.6.3.1 BUSINESS EDUCATION

Education is the process of facilitating learning or the acquisition of knowledge, skills, values, beliefs and habits. Education plays an important role in advance entrepreneurship. Although lack of formal qualification does not disqualify a person as an entrepreneur nor does having a formal qualification guarantee success, formal education improves the success rate. Having a formal education may mean theoretical background in operating a business. This can be beneficiary when one eventually runs their own business, they can use this exposure and this theoretical background. Formal education can be useful in negotiating and interpreting contracts, interpreting financial statements, dealing with staff and customers alike. The culture of entrepreneurship needs to be instilled at a young age and also at a more senior level like the tertiary level. Incorporating entrepreneurship in the school curriculum could be very beneficial to the advancement of entrepreneurship culture which ultimately leads to a productive society and economy.

4.6.3.2 Entrepreneurial support

Aspiring entrepreneurs need strong support from both the public and the private sector. There is a dire need for business support centers and mentorship in order to enhance the sustainability of businesses and also foster the spirit of entrepreneurship. Established business owners have a huge role to play in this

regard, either through offering their businesses as a training ground or through offering their time and knowledge to business support centers and mentoring aspiring entrepreneurs. Existing entrepreneurs could share their experiences and challenges they faced and how they overcame them. These entrepreneurs have paid their school fees and their lessons learnt could positively impact on aspiring entrepreneurs. Through business support services, institutions like the Chambers, Business Women Association (BWA), Black Management Forum (BMF), Business Networking Initiatives (BNI) have a huge role to play. These organisations create platforms for entrepreneurs to interact and network. The experienced entrepreneurs are role models for the aspiring business owners.

4.7 CONCLUSION

The entrepreneurs interviewed cited education as an important tool. It enhances capabilities and thereby strengthening the chances of success. They also highlighted their pillars of strength which range from religion, sport, family and so forth. Furthermore, they pointed out that proper and thorough market research could make or brake the business.

Owner presence in the business is imperative in order for it to succeed. Owning multiple business requires diverse set of skills and management capabilities. Recruiting the right people and ensuring that everyone buys into the company vision plays an important role to the success of the business..

Legal and financial background and support contribute largely to the success of the business. Accountants play an important role in the financial management of the business operations. Proper cash flow management can ensure that cash which is the lifeblood of the business flows continuously. Specialists with a legal background play a pivotal role when it comes to interpretation of legal documents and agreements.

Funding was pointed out by the entrepreneurs interviewed as another extremely critical aspect of the business which is often ignored. Inappropriate funding models also contribute largely to business failure.

In the chapter that follows, results of the study are discussed.

CHAPTER FIVE

DISCUSSION OF RESULTS

5.1 INTRODUCTION

This chapter deals with presentation and critical analysis of the results in relation to the research questions posed and responses. Entrepreneurship plays a critical role in economic emancipation of individuals and countries alike. Along the way in pursuit of their vision, entrepreneurs may falter but this does not have to mean the end of the journey. Being in business is a continuous learning process and entrepreneurs learn from their experiences.

In the following section, results obtained from the previous chapter and the author's arguments that:

- Lessons from mistakes made by successful entrepreneurs can assist encourage entrepreneurship.
- Negative experience is still an experience
- Conducive environment and education are significant catalysts to encouraging entrepreneurship.

5.2 KEY CONSTRAINTS TO ENTREPRENEURSHIP

According to the Global Entrepreneurship Monitor report 2015-2016, the national experts interviewed identified a number of weaknesses in South Africa's entrepreneurship ecosystem. The weakest entrepreneurial conditions in South Africa cluster around the areas of government programmes and policies, school-level entrepreneurship education, research and development transfer and funding, cultural and social norms. Only two countries (Hungary and Croatia) ranked lower than South Africa on the efficiency-driven economies. The experts interviewed identified and comment on the three most important factors constraining entrepreneurial activities. They three main areas cited as critical constrains by the experts were government policy (61%), access to finance (44%) as well as education and training (42%).

5.2.1 A DISCUSSION OF FINDINGS FROM THE LITERATURE AND THE RESEARCH

5.2.1.1 ENTREPRENEURIAL BEHAVIOUR

People who are entrepreneurs exhibit a certain behaviour and not everyone is an entrepreneur. According to Alstete (2008), entrepreneurs are characterized by their enjoyment for independence, freedom, job satisfaction, money, working long hours, high tolerance for stress, risk, responsibility and don't easily fear the unknown as eluded to in Chapter 3. 56.25% of the entrepreneurs interviewed in this study gave account of their experiences when they ventured into the unknown. They all mentioned different industries ranging from Corporate to Security company, Human Resources within the corporate structure to a funeral parlour, from a Information Technology (IT) to operating a restaurant. This shows being fearless and advancing a vision. These are all examples that support the fact that an entrepreneurs' have a high tolerance for risk and are not disturbed by the uncertainty. They back this up with self-belief, this according to Zhao, Seibert & Lumpkin (2010). Globally respected successful entrepreneur like the late Steve Jobs displays many of the characteristics and behaviour of an entrepreneur. Setbacks are an opportunity to learn and grow.

Whilst money has been argued whether it a motivator or not, for the entrepreneurship, according to Longernecker, More, Petty and Palich (2006), the reasons for seeking entrepreneur as a career could be financial or non- financial rewards. Longernecker, More, Petty and Palich (2006), found in their study that money as a motivator is less reason for starting a business. Risk taking has already been previously mentioned as one of the characteristics of an entrepreneur. According to (Alvarez, Barney and Anderson 2013) entrepreneurs can be psychopathic and narcissistic. Entrepreneurship is about risk taking, it's about venturing into the unknown, they (entrepreneurs) transform uncertainties into opportunities.

5.2.1.2 ECONOMICS OF ENTREPRENEURSHIP AND ENTREPRENEURIAL OPPORTUNITIES

5.2.1.2.1 FINANCE

An entrepreneur plays a pivotal multifaceted role in their business. One of these roles is looking after the finances of the business. According to (Dunn & Chyi-lyi 2002), the entrepreneur must plan the financial affairs of the business. Often entrepreneurs experience challenges because of failure to be careful, precise and explicit in planning and managing finances. Furthermore, (Aldelman & Marks 2000) in their study found that formal education in finance and business was the missing ingredient and that resulted in entrepreneurs failing short of financial planning and management. The financial needs of the business need to be quantified. Failure to do so maybe be very detrimental to the business.

The entrepreneurs surveyed concurred that it was very important to conduct a financial needs analysis. Failure to do this may results in financial gaps/loses. Proper and detailed list of resources needed to operate the business should be done upfront. All business expenses must be accounted for so that proper financial planning is done. Proper and adequate financial planning leads to hassle free and success business. Business finance is not an easy feat. It is a difficult and momentous task. If mismanaged can be very detrimental to the business. As pointed out by the entrepreneurs interviewed that incorrect funding models or structures can lead to business failure. Gearing plays an important role on the success of the business.

5.2.1.2.2 CASH FLOW MANAGEMENT

Dunn & Chyi-lyi (2002) in their analysis of fallacies around finance uncovered that in cash flow planning, entrepreneurs sometimes have misplaced expectations from their suppliers of stock. Entrepreneurs also tend to think that financial statements are for financial institutions and they are not for internal decision making. Also very often entrepreneurs fail to find a balance between personal and business expenses as well

as personal and business credit. Remaining grounded and circumspect is one of the best ways of ensuring that cash flow is managed properly.

5.2.1.2.3 IMPACT OF REGULATORY POLICY

According to the GEM report 2015-2016, government policies were identified as one of the key constraints to entrepreneurship. Business fraternities and entrepreneurs alike sing from the same hymn regarding governments role on advancing the entrepreneurship course. Government policy should be aligned to creating an enabling environment which is conducive for any person wishing to be an entrepreneur to be able to do so. Policies that speak against entrepreneurship or halter entrepreneurship often lead to negative economic performances. One such recent policy is the new Visa laws. These have resulted in lower visitors to South Africa and thereby hampering the tourism industry and other related industries. Growth can be achieved through increasing productivity as cited in Lerner (2014) in chapter three.

5.2.1.3 ENTREPRENEURSHIP AND DECISION MAKING

Entrepreneurship are leaders. Leaders take responsibility and accept accountability for their action. Leaders must be honest in understanding who he/she is, what he/she knows, and what he/she can do. Judgement is the operant between a stimulus (which is an opportunity belief) and a response (which is an investment) according to (Mcmullen 2013). Also, to note that it is followers, not the leader who determines if the leader is successful. If employees do not trust or lack confidence in their leader, then they will be inspired. To be successful leaders have to convince their followers, not themselves, that they are worthy of being followed.

Different people require different style of leadership, i.e a person who lacks motivation requires a different approach from one with a high degree of motivation. A leader needs to know the people he/she leads. The fundamental starting point is having a good understanding of human nature, such as needs, emotions and motivation. A leader has to know his/her followers.

All situations are different. What is done in one situation will only always work in another. Judgement is required to decide the best course of action and the leadership style needed for each situation. For example, confrontation is too late or too early, harsh or too weak, then the results may prove ineffective. Various forces will affect these four factors. Examples of forces are “top-up” and “top-down” relationship in organizations, relative skills of all involved, informal leadership structures within the organization, and level of organization.

According to the GEM report 2015, entrepreneurial activity does not take place in a vacuum, and entrepreneurial attitudes and perceptions (both societal and individual) play an important part in creating an entrepreneurial culture. Furthermore, the World Bank projects a very bleak picture of South African economy at 0.8% after revising it down from 1.4% at the beginning of 2016. The GEM report 2015, in 2003, 48% of the South African adults considered entrepreneurship a good career choice compared to 73.8% in 2015. This shows a significant improvement and good for the advancement of entrepreneurship. (Baron, Franklin & Hmeileski 2013) found in their study as note in chapter three that the conditions under which entrepreneurs operate are rife with heavy workload, unpredictability, rapid change, high personal responsibility and accountability. Stress can negatively affect task performance and leadership says (Chan & Wan 2012). Furthermore, Baron (2013) found that there is a very high proportion of businesses that do not survive beyond their first three years. Factors such as identifying better suited opportunities also contribute to this low success rate as pointed out in chapter three.

5.2.1.3.1 MISTAKES MADE BY ENTREPRENEURS

Entrepreneurs operate in a field of uncertainty and failure is synonymous with uncertainty. When outcome does not match the desired outcome. Entrepreneurs are decision makers, starting with developing a concept and then converting it into a money-making machine which is the business. Entrepreneurs provide solutions, every business provides a solution to someone. Entrepreneurs interviewed cited a

number of mistakes which they have made along their entrepreneurial journey. They have been able to draw from these experiences as they progress towards success in their businesses. As per Hayward, Foster, Sarasvanthy & Frederickson (2010), they established that entrepreneurs are able to draw from their optimism after faltering and bounce back and establish new ventures.

According to Ucbasaran, Sheperd, Locket & Lyon (2013), the primary costs of failure can be grouped into three categories, financial, social and psychological. Loss of income can result in financial losses for the business as per (Cope 2011). A planned loss is easier to manage than an unplanned one. Some financial losses experienced as a result of wrong associations/partnership or misunderstood agreements or lack of agreements etc. were amongst the mistakes cited by entrepreneurs interviewed. Unfortunately, failure is perceived as negative and as a result of their mistakes, entrepreneurs attract a certain stigma when they fail as Cope (2011). Failed entrepreneurs experience financial, social and psychological losses.

5.2.1.4 BUSINESS EDUCATION

The level of education plays a critical role to the advancement of entrepreneurship. As per the GEM report 2015-2016, there is a strong correlation between perceived capabilities (skills) and Trends in Entrepreneurial Activity (TEA), reinforcing that all forms of education (formal, informal and non-formal) are important in developing entrepreneurial competencies. GEM research further states that educated workforce, appropriately skilled and with the capacity for innovation, is vital to an economy's competitiveness, productivity and growth. A sound education is the building block and is therefore one of the key imperatives for a competitive country. Resulting from a sound education system is a positive influence on people's self-efficacy and self-confidence which enhances the chances of such a person not only starting a business, but also successfully traverse competitive and varying business atmosphere. According to Lerner & Malmeinder (2012), education contributes a great deal to entrepreneurship. They established this through their study which was conducted over a 5-year period on success rate of entrepreneurs with Masters in

Business Administration (MBA) qualification and those that did not. They found that those entrepreneurs with a MBA were more successful than those that did not have this qualification.

Tseng (2013) found that learning can take several forms and more importantly, it can be self-directed or be directed by others. Entrepreneurs learn from both forms. One of the entrepreneurs interviewed stated that she will never go into business unless it's her vision and is not reliant on another person to deliver on the vision. This position is a result of failed relationships and business ventures where she had financed the business in order to back an individual whilst she had no clue of the industry or business. Another entrepreneur stated that she will never go into business unless she builds a team around her of a legal expert, financial expert and a specialist mentor. Again, this entrepreneur was drawing from her own experiences. Self-directed learning is extremely important (Zhao, Seibert & Lumpkin 2010). Cope (2003) as expressed in chapter three further confirmed that entrepreneurial learning as using lessons from sporadic experiences in order to enhance one's level of knowledge both at personal and business levels.

When the desired outcome is not obtained, it does not have to mean the end of the world. However, it is important to take note and learn from these undesirable outcomes and events. According to (Gray & Williams 2010), they argue for the usefulness of the re-framing approach, which ensures learning from adverse experiences.

5.2.4.5 ENTREPRENEURIAL SUPPORT

Entrepreneurs need support from all spheres, be it from private or public sector, this support can go a long way in shaping their success. Learning from peers and other business institutions can enhance the body of knowledge of that entrepreneur. Training offered and conducted by institutions like the Chambers and profession associate institutions is of paramount important. Training pursued by an entrepreneur is important and can impact greatly to the success of the business, this according to

(Pandaey & Tower 2011). Neck & Green (2011) reaffirmed the importance of systematic methods as opposed to only focus on content learning.

5.3 CONCLUSION

The study represents lessons that can be learned from experienced and successful entrepreneurs. These lessons are based on the results from interviews conducted with the selected sample. Entrepreneurs interviewed admitted to making mistakes along the way in their respective journey's. lessons learned from these mistakes have propelled them to higher heights of success. South Africa faces three fundamental challenges, being poverty, inequality and unemployment and in order for any of these challenges to be resolved, entrepreneurship needs to thrive. Entrepreneurship will in a conducive environment. Problems are everywhere but if the entrepreneurship levels are high within the society, then these entrepreneurs are like to spot these opportunities and provide viable commercial solutions.

The solution to the above challenges does not lie with an individual that has a solution for everything. The situation is dire and requires advanced multi-pronged strategies. Entrepreneurship level in to rise in South Africa and more need to see entrepreneurship as a career choice. The level of education plays a very important and critical role to the advancement of the entrepreneurship agenda. When entrepreneurship thrives, the economy grows, job creating increases resulting in reduced unemployment, poverty and equality are reduced significantly. It is therefore imperative that entrepreneurship agenda be pursued from all spheres in South Africa. Support for innovation as well as research and development opens up opportunities for existing and aspiring entrepreneurs. If Research and Development is not supported through funding and allowing for mistakes to be made without attracting a negative stigma could be funded, more opportunities can be developed into real products and services.

The chapter that follows deals with conclusion and recommendations.

CHAPTER SIX

CONCUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter evaluates the objectives of the study against the outcomes of the research findings. The objectives are stated and the outcome of the research results discussed, indicating how the objectives of the study was realized. On the basis of these findings the chapter expands to represent benefits of the research and detailed recommendations for aspiring entrepreneurs, small business ministry sector and business fraternities who are the intended end users of this study. Also included in the chapter are limitations associated with the study and suggestions for further research. The chapter concludes with the summary of the discussions.

6.2 CONCLUSIONS

Based on the literature reviewed and after the analysis of the primary data collected from the interviews, it is evident that entrepreneurs do not know it all, they make mistakes but most importantly, those experiences shape their future. There is a whole host of mistakes ranging from financial matters to engagement/association issues amongst others. The list is wide and endless. The results from the research confirm that successful entrepreneurs are able to draw from negative experiences and turn them into a positive experience.

The findings confirmed the findings of a study conducted by GEM where 12.2% of South African adult population in 2003 had entrepreneurial intentions which declined to 10.9% in 2015. These findings represent potential entrepreneurs that see good opportunities for starting a business and firmly believe that they have the necessary skills, knowledge and experience to start a business. Although good opportunities and having the skills does not translate to an intention to establish a business, however, individuals assess the opportunity costs and risk and rewards of starting a business versus other employment opportunities. Furthermore, the environment underwhich

potential, intentional and active entrepreneurs exist needs to be sufficiently enabling and supportive.

Unfortunately, such low entrepreneurial intentions on the backdrop of low success rate of start-ups as noted by (Baron 2013) that a very high proportion of start-ups do not survive beyond three years. The small number of businesses that break through the three-year threshold and beyond, represent an excellent sounding board for those aspiring to get into business. Entrepreneurs that have broken through are essentially a school of knowledge in their own right. It can be stated with confidence that successful entrepreneurs were; along their entrepreneurial journey; able to turn any negative experiences into positive ones. Therefore, this section represents a summary of the mistakes made by entrepreneurs and lessons learned from these mistakes.

6.3 RECOMMENDATIONS BASED ON RESEARCH OBJECTIVES

It is important to re-assert the research objectives which were:

- ❖ To Establish a relationship between mistakes made by an entrepreneur and the success of that particular entrepreneur
- ❖ Determine how successful entrepreneurs are able to convert mistakes into successes
- ❖ Draw a list of lessons that can be learned by aspiring entrepreneurs from near demise mistakes made by successful entrepreneurs

In order to ultimately respond to the research topic, key recommendations as they relate to the above will be represented. This study presents a number of recommendations for both the entrepreneurs and government. Entrepreneurs with existing businesses and nascent entrepreneurs have to understand that, for their businesses to succeed, they need to apply competent strategies and business innovation plans.

6.4 BENEFITS OF THIS RESEARCH

The future policy making agencies can learn lessons to make meaningful plans and policies to prepare future generations for the future for entrepreneurship. Other persons set to benefit immensely from this research are academics, educators, researchers and the business community at large. This research should contribute to the body of knowledge around understanding how successful entrepreneurs managed to turn negative experiences into positive lessons. The study will benefit both entrepreneurs who are running businesses that are not yet registered, as well as entrepreneurs who are operating registered companies, but intend to see their businesses grow to next levels. The study will contribute towards decrease in entrepreneurial failure.

6.5 RECOMMENDATIONS TO ADDRESSING HOW SUCCESSFUL ENTREPRENEURS OVERCAME MISTAKES THAT THREATENED THEIR DEMISE

6.5.1 ENTREPRENEURIAL BEHAVIOUR

Entrepreneurs are a rare breed and do not conform to norms. They are ordinary people who do extraordinary things. Entrepreneurs behave in a certain manner and have certain special sense. They are able to spot opportunities and see light in the dark. Entrepreneurs are visionaries and most importantly they are leaders. Entrepreneurial behaviour is shaped by a persons' exposure to other entrepreneurs, business associations, education etc, behaviour can be shaped or influenced by a number of things. Entrepreneurs do not pretend to know it all, they appreciate that they don't know it all and that they are always going to be learning. Entrepreneurs have a strong sense of their weaknesses and strengths, they focus on these areas and continuously develop. Areas where they can't develop or need to bridge the gaps, they form associations. These associations can be in a form of business linkages or even recruiting the right skills sets.

6.5.2 ECONOMICS OF ENTREPRENEURSHIP AND ENTREPRENEURIAL OPPORTUNITIES

Primarily, people get into business in order to make money. Business ideas and concepts are based on problems, so business is about providing a solution. In their endeavours to providing sustainable solutions, entrepreneurs may falter and make mistakes. Such mistakes can have an array of consequences ranging from financial to social and even psychological consequences. Sadly, with mistakes or failures, society can pass judgement on an individual and certain negative attached to the entrepreneurs who have had the unenviable displeasure of failing. Because entrepreneurs are ambitious, passionate and persistent people, they persevere.

Entrepreneurs are expected to possess multi skills which can range from financial, to human resource to legal etc. however, the bare minimum or foundation skills are the operational skills. A typical mechanic may not be strong on financials or administrative aspects of the business but they must possess strong practical skills or trade.

The blood of the business is the cash and its imperative that the finances of the business are managed appropriately because if this is not done then, the business can cease to trade. Finances are critical to the continued existence of any businesses. Entrepreneurs interviewed all indicated the need for strong grounding and support from the accountants when it comes to the finances of the business. Those entrepreneurs that did not poses strong financial skills when they got into business, they subsequently realized the need to acquire such skills. They burned their fingers along the way but learned a great deal in the process and ultimately took corrective measures in order to recover from mistakes made. Cash flow management is critical to the success of the business.

6.5.3 ENTREPRENEURSHIP AND DECISION MAKING

Entrepreneurship is about risk taking, it's about finding or developing sustainable commercial solutions. There is a risk reward trade off element in entrepreneurship. Entrepreneurs operate in a space of uncertainty and it's against this backdrop that businesses are built. A very important component of entrepreneurship is leadership. Entrepreneurs lead people and they impart their vision into their teams. Entrepreneurs decide on the path that the business should pursue. Entrepreneurs are the ultimate decision makers. Whether it's a right or wrong decision, entrepreneurs have to make the call and deal with the consequences of their decisions.

The entrepreneurs interviewed were firm and unanimous on the high importance of the decision making role in their businesses. Each entrepreneur took the researcher through their journey in responding to the question beginning from how they got into business, to the chosen industry, obstacles, challenges, changes, mistakes made, lessons learned, dealing with diversity and their moto. Throughout the discussion, entrepreneurs shared their decision making moments that shaped the future of their business. What could be deduced from this is that to be a successful entrepreneur, one must a firm decision maker.

6.5.4 MISTAKES MADE BY ENTREPRENEURS

One of the questions specifically posed to the entrepreneurs by the researcher was on mistakes that they have made along the way and lessons learned from these mistakes. This being the fundamental question that specifically engages the research topic. There was an array of response which covered wide areas of business mistakes made by these successful entrepreneurs. What was encouraging though was to learn that even though mistakes were made, it did not stop them (the entrepreneurs) from pursuing their dream and vision. They were setbacks experienced but they forged ahead and persevered. Mistakes outlines and lessons learned:

Mistake: Inappropriate partnerships or partnerships gone wrong

Lesson: Do a thorough homework on your potential partner leaving no stone unturned. Clear out all the expectations, roles, responsibilities contributions etc.

Mistake: Selecting a wrong supplier

Lesson: Suppliers are critical to the success of the business, be it suppliers of stock, finance or human resources or any other service and product. This stakeholder needs to be properly assessed, continuously engaged and managed.

Mistake: Outsourcing gone wrong

Lesson: Whenever you decided to outsource, the relation must be business based and properly analysed. Weigh out all the options and decide on business principles.

Mistake: Incorrect hiring

Lesson: South African Labour Law is very strict and leans more to the side of the employees. When deciding to hire, properly profile the job and spend quality time in recruiting because once you have hired a person, it's very difficult to release them. Hire for attitude, the operational skills are easier to teach but you can't teach attitude.

Mistake: Agreements not drafted properly, misunderstood and in certain cases, no agreements

Lesson: This is a specialised field, it's better to pay an expert to manage this aspect of your business if you are not an expert in it. This cost of correcting agreements and disputes is very high and time consuming especially when you have to resolve through the court system.

Mistake: Getting family involved in business

Lesson: if you decide to get involved in business with family, be very careful of the extended relationship which extends beyond the normal business frameworks. This relationship has sentimental values attached and one must be very cautious of them.

Mistake: Trusting too much

Lesson: Its natural for one to trust too much but this must be avoided. Try not detach emotions from business dealings.

Mistake: Over reliant on other people

Lesson: Owner presence is vital in every business but even more so in a cash business.

Mistake: Team mismatch

Lesson: In businesses where people work in teams and shifts, it's imperative to manage team dynamics. Team mismatch can be detrimental to the business as it affects output.

Mistake: Loss of focus

Lesson: entrepreneurs need to be careful when things are going too well or too poorly, this is when they are easily distracted. Continuous focus is needed from the entrepreneur if the business is to become successful.

Mistake: No systems in place

Lesson: Poor or lack of systems can lead to financial losses, shrinkage and even business closure. Develop strong systems that will support the running of the business.

Mistake: Being naïve

Lesson: Don't always take what you are told at face value, especially from staff, always verify the information.

Mistake: Incorrect funding model and structure

Lesson: Funding structures and gearing levels can make or break the business. Proper homework must be done on the potential funder. Plan the financial needs of the business. Cash flow management is of outmost important, it's the lifeblood of the business.

Mistake: Inappropriate use of funds (tax funds)

Lesson: Never use tax money incorrectly and think they won't come after you.

Mistake: No control over the finances

Lesson: Always have proper systems in place and properly plan for all your finances

Mistake: Not sufficient market research conducted

Lesson: When get into business, always do you market research. Adequate market research will ensure that informed decisions are made all the time.

Mistake: Not investing in property early enough

Lesson: Early invest in real estate assist not only building the foundation of the investment portfolio but real estate is a great leverage tool when raising capital and structuring funding models.

Mistake: Not getting into business early enough

Lesson: Deciding on entrepreneurship as a career at an early stage is very advantageous and that is why entrepreneurship needs to be incorporated within the school curriculum.

Mistake: No/poor accounting services

Lesson: One must secure the services of a good accountant if they are to succeed in business.

6.5.5 BUSINESS EDUCATION

The current South African school education curriculum has some form of business studies incorporated in it, entrepreneurship is introduced in pockets of sections and not as a stand-alone subject with its own content and structures. Entrepreneurship cuts across all spheres and should thus not be limited to Commerce students/studies only. Currently, business studies are only available to commerce students. This culture of thinking and doing things needs to change. The change in this mindset will ensure that entrepreneur is perceived as a career by everyone. GEM report of 2015-2016 on South Africa found that a number of South Africans intending to pursue entrepreneurship dropped between 2013 and 2015. Enhanced awareness and early development of entrepreneurial learning would go a long way in assisting turn these dropping numbers.

Education is an extremely important tool because it does not only stimulate the mind but it increases ones' level of awareness and desire. Nelson Mandela once said "education is the most powerful weapon you can use to change the world." He went further to say "When a man is denied the right to live the life he believes in, he has no choice but to become an outlaw." These resounding words echo the importance education in human development. The level of education of the sample surveyed ranged from Matric to Masters. This further magnifies the importance of education to the success of entrepreneurs.

6.5.6 ENTREPRENEURIAL SUPPORT

The entrepreneurs interviewed all identified with the need for extra entrepreneurial support in order to succeed as this journey at times requires special skills which as an entrepreneur you might not necessarily possess. Some entrepreneurs during the interview emphasized the importance of mentorship, a good accountant and industry expert as support structures imperative for success. Furthermore, apart from internal support in a form of human resources and sound systems, external support in the form of policies and regulatory frameworks is also important and need to succeed.

Entrepreneurial support can also come through business fraternity institutions i.e Chambers, Policy Making Forums, (Business Unity South Africa) BUSA etc.

The entrepreneurs need to harness their strengths and manage their weaknesses. Any entrepreneur who ignores these do so at their demise. Competitors when conducting their market research often spend time analyzing their competitors. This helps one identify their unique competitive advantage and then make this their focal point in their business.

6.6 AREA FOR FURTHER RESEARCH

Suggestions for future research:

- Whether experience gained from previous failed business ventures results in success of future business ventures undertaken by the same entrepreneur.
- Definitive measure of a successful entrepreneur
- Social cohesion as means of enhancing entrepreneurial flair

6.7 CONCLUSION

An entrepreneur-centric economy is characterized by a large number of successful SMEs. These SME's are able to absorb not only a significant part of the unemployed labour force, but also reduce crime and government expenditure on security and legal services. They are able to contribute significantly to the reduction of social ills faced by the country. Eradication of unemployment, poverty and inequality needs a high entrepreneurial drive.

The study was set in the context of a rapidly changing economic and business environment. The previous five years have witnessed a period of increasing unemployment rate, decreasing rates of new business start-up and an increasingly negative environment for new enterprise development and growth. Unfortunately, this situation cannot be allowed to persist in perpetuity if this current economic situation

faced by South Africa is to be reversed. Some of the failures of the country is its business development institutions, policies and regulations and education.

There is very poor investment in research and development which is critical for conceptualizing ideas. Literature evidence has proven that supporting the human and institutional capacity of any society contributes to tremendous growth and development of the society. In South Africa, if business fails, it becomes even harder to re-enter the small business sector. This does not bode well for new venture creation and innovation. If the environment is too punitive (as with those credit black-listing, for instance) re-entry is much harder, and we lose the learning that failed entrepreneurs have gained, which could equip them to be better business people the second time around. The issue of credit history needs to be dealt with more sensitively in South Africa. Allon Raiz (2011).

Entrepreneurship is by its very nature susceptible to errors because it's about taking risk and venturing into the unknown. Entrepreneurs in pursuit of their dreams, visions and goals make mistakes along the way but successful entrepreneurs are able to draw strength from these mistakes, use the lessons learned to their benefit. Successful entrepreneurs have no qualms about their strengths and weaknesses. They bridge the gaps identified by building strong supporting teams and work with these teams to successfully navigate the business world.

Findings of this research paper have highlighted major areas of concern as per the study objectives upon which recommendations have been made as; entrepreneurial behaviours, economics of entrepreneurship and entrepreneurial opportunities, finance, cash flow management, impact of regulatory policy, entrepreneurship and decision making, mistakes made by entrepreneurs, business education and entrepreneurial support to enable entrepreneurship to flourish not only in KwaZulu-Natal but within South Africa. Findings from the research, have also highlighted major mistakes made by successful entrepreneurs and lessons that they learned through those mistakes.

Though this is a small scale study as it canvassed 17 respondents the results are such the recommendations can be generalized to entrepreneurship across the board and if carefully implemented and monitored they should reap rewards that will be of value to their enterprises.

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APPENDIX 1



Dear Respondent,

MBA Research Project

Researcher: Thula Mkhwanazi (0027 83 371 3391)

Email Address: tmkhwanazi@businesspartners.co.za

Supervisor: Prof Elias Munapo (0027 73 232 5211)

Email Address: Elias.Munapo@nwu.ac.za

Research Office: Ms Mariette Snyman (0027 31 260 8350)

Email Address: Snymanm@ukzn.ac.za

Research Project Title:

**HOW SUCCESSFUL ENTREPRENEURS OVERCAME MISTAKES THAT THREATENED THEIR
DEMISE**

CONSENT

I
(Full names of participant)

Owner/Co-Owner of
..... (Full
company name)

Hereby confirm that I fully understand the contents of this document and the nature of the research project and I consent fully to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT:

DATE :

APPENDIX 2

INTERVIEW QUESTIONS

How Successful Entrepreneurs Overcame Mistakes That Threatened Their Demise

Section A: Demographic Information

Name:-----

Contact:-----

Residential Area:-----

1. Gender

Male

Female

2. Race

African

Coloured

Indian

White

3. Qualifications

Primary Education

Secondary Education

Graduate/Postgraduate

Professional

4. Age

Below 30 years

Between 31-45 years

Between 45-60 years

Above 60 years

5. Businesses under ownership

Single

Multiple

6. Personal net worth?

Less than R10m

More than R10m

Section B: General Information

No. 1 How did you get into business?

No. 2 Why the chosen industry/industries

No. 3 What are some obstacles that you experienced when starting your business?

No. 4 Since starting a business, what has been your low point?

No. 5 If you were to go back and change anything, what would that be? Why would you change it? How would you do it differently?



08 April 2016

Mr Thula Ralph Mkhwanazi (214579437)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Mkhwanazi,

Protocol reference number: HSS/0279/016M

Project title: How successful entrepreneurs overcame mistakes that threatened their demise

Full Approval – Expedited Application

In response to your application received on 16 March 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol have been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number.

Please note: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

.....
Dr Shenuka Singh (Chair)

/ms

Cc Supervisor: Professor Elias Munapo
Cc Academic Leader Research: Dr Muhammad Hoque
Cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Shenuka Singh (Chair)

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