

# **The Factors Influencing Entrepreneurial Performance In Small-scale Business**

Entrepreneurship is increasingly recognized as an essential driver of economic growth, productivity, innovation and employment, and it is widely accepted as a key aspect of the economy.

This has boosted the studies on small and medium enterprises (SME) growth and more importantly the formal and informal attributes associated with the entrepreneurs who have led their small businesses successfully to the growth stage.

It was observed that there is a significant relationship between personality traits and entrepreneurial performance and other variables such as demographic features, research and development (R&D), technology etc and can also influence the performance of entrepreneurs in small-scale sectors and also entrepreneurs should be encouraged to attend a training program in business management.

Entrepreneurship is an integral part of the economy, and business culture and particularly for job creation and economic growth.

## **Here are the factors influencing entrepreneurial performance in small-scale business**

### **1) Background of Study**

Entrepreneurship is increasingly recognized as an important driver of economic growth, productivity, [innovation](#) and

employment, and it is widely accepted as a key aspect of economic growth. This has amplified the studies on small and medium enterprises (SME) growth and more importantly the formal and informal attributes associated with the entrepreneurs who have led companies successfully to the growth stage.

Certainly, for an entrepreneur to be successful in terms of establishing a small-scale business, some factors must be put into consideration that can boost the inspiration of the entrepreneur for an effective management system of their business in achieving the set objectives.

There are various factors that can influence the [entrepreneurial](#) performance of small-scale businesses either positively or negatively such as changes in present lifestyle, education, personal values, age, work history, role models and support systems, and network and professional support, these factors the performance of entrepreneurship.

The following are some of the strategies you can use is

- Do your research
- Have a good mentor
- Keep learning skills
- Have a budget,
- Always be positive
- Enjoy what you do
- Self-confidence and perseverance
- Feasibility studies
- Management training and development

Entrepreneurs are faced with economic difficulties, which lead to the study of factors influencing entrepreneurial performance.

## **2) Statement of the problem**

Studies have shown that self-awareness or personal knowledge can improve the entrepreneur's performance, but the lack of studies on the part of the [entrepreneur](#). The major concern is that an entrepreneur should have in-depth knowledge about the existing and inevitable environmental factors. The most probable factors contributing to this problem are believed to be the possibility of certain environmental factors.

The problem that should be considered are:

- Industry Characteristics
- Risk-taking
- Proactiveness
- Competitive
- The demographic characteristics consist of growth, age, education and marital status.
- Lack of entrepreneurial skills
- Objectives of the Study
- Research Questions

The problem and purpose lead to factors influencing entrepreneurial performance in small-scale businesses.

## **3) Entrepreneurship study**

The study of an entrepreneur focuses on niche segments which indicate the entrepreneurial performance of small-scale

businesses. It also limits itself to how entrepreneurs can improve their skills for effective and successful performance in [small-scale businesses](#).

Significance of the entrepreneur study

- The study indicates the value, knowledge and contribution.
- Enhance entrepreneurial success in small-scale businesses.
- You learn managerial skills for effective performance.
- The efficacy of the technology.
- Identify the series of factors that influence entrepreneurial performance.

## **4) Creativity**

You need not be the original with the creative part to improve by standing on the shoulders of other business giants in the market, you can take existing ideas and make minor improvements to them.

Recognize when you have a fresh idea and keep them from getting away from your mind. Write them down! Not every idea has to be successful. By accumulating your ideas, you will be able to decide the great ones from the rest and be ready to run with the best.

## **5) Opportunities and Risk Tolerance**

Success rarely comes without risk. You should be able to take advantage of an opportunity that will depend, in part, on your tolerance for risk. As a start-up entrepreneur, investors will expect you to have an interest and confidence in your business.

If you cannot afford the risk, financially or emotionally, you might make too risky decisions. An entrepreneur needs a strong sense of self-efficacy to believe the bet will be.

## **6) Responsiveness to Opportunity**

Opportunity can leave rapidly. With the internet, the spread of information and ideas has led to deeper, rapid competition to be the first mover. The capability to respond to the market and new business opportunities can be the difference between a successful entrepreneur and a failed business model.

To be responsive, an entrepreneur must have the inflexible mind and resources necessary to see and take advantage of new and upcoming possibilities. Learning from your mistakes and those of others to execute change can keep businesses around. Calcifying severity, on the other hand, can turn a start-up into dust.

## **7) Leadership**

Leaders are challenged with taking possibilities and turning them into inspiring visions for others and their stories motivate others. You will inevitably have to sell your idea or product to begin your entrepreneurship. It will be up to the entrepreneur to take the picture and turn it into actions and products to capitalize on the opportunity for himself.

## **8) Intellectual property rights**

Intellectual property laws can provide you with exclusive business rights to your business ideas. If you do not protect your ideas, they may be copied easily. Once an idea is in the public domain, it may no longer be possible to use that creativity as a competitive advantage.

In exchange for sharing ideas, creativity, governments provide limited monopolies that will allow you to capitalize on them

for some period of time.

## Summary

As an entrepreneur, a key objective is to see your business succeed in growing profitably. But to achieve this, it is important to understand what the factors are that really impact profitable business growth. There are a variety of things that influence growth potential.

## FAQ's:

Must read articles:

- [Despite a hiring boom in Corporate India, the IT sector leads the employment growth](#)
- [Is Import and Export Consulting Services Right for Your Business?](#)
- [How To Set and Achieve Financial Goals](#)