

# Entrepreneurship versus Working for Others

Understanding Canadian Business 7<sup>th</sup> Edition

# Working for Others

- One way to succeed in business is to rise up through the ranks of large companies such as RBC.
- Advantage – working for others is that somebody else assumes the entrepreneurial risks and provides you with benefits such as vacation.
- Most people choose this option.

# Entrepreneurship

- Start your own business and become an entrepreneur.
- It takes a brave person to start a small business to turn a small business around.
- Before taking on the challenge of entrepreneurship it makes sense to study the experiences of those who have succeeded.
- Eg Ron Joyce – Dairy Queen -> Tim Horton's

# The Importance of Factors of Production to the Creation of Wealth

- Factors of Production – the resources used to create wealth; land , labour, capital goods, entrepreneurship, and knowledge.
- The five factors the seem to contribute to wealth:
- Land (Natural Resources)
- Labour(Workers)
- Capital Goods
- Entrepreneurship
- Knowledge

**Land** Land and other natural resources are used to make homes, cars and other products



# Labour

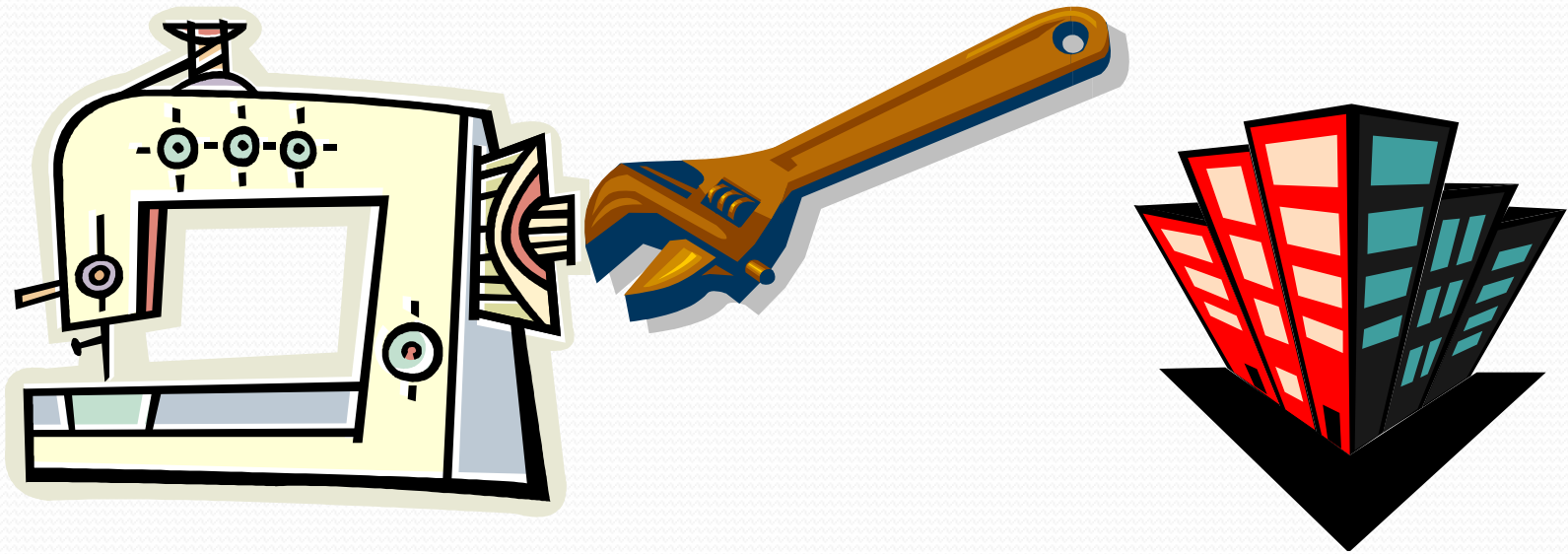
People are an important part in producing goods and services even though technology is taking over some of these jobs.





# Capital Goods

- Capital includes machines, tools, building and other means of manufacturing.



# Entrepreneurship

- All the resources in the world have little value unless entrepreneurs are willing to take the risk of starting businesses to use those resources.





# Knowledge

- Information technology has revolutionized business, making it possible to quickly determine wants and needs and to respond with desired products.



# What makes countries rich today?

- It is a combination of entrepreneurship and the effective use of knowledge.
- The business environment either encourages or discourages entrepreneurship.