

## Distinctive Entrepreneurship Competencies for Contemporary Entrepreneurship Learners

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**Abstract:** *People develop or acquire abilities, skills, knowledge and other attributes needed to carry out a particular task successfully and competently through training, studies, and experience. As higher education students acquire knowledge in their different specialties, it becomes necessary to expose them to entrepreneurship skills and competencies required to become successful entrepreneurs. Recognizing this fact, the National University Commission (NUC) introduced a 400-level Entrepreneurship course (GES 400) in the Nigerian University Curriculum to expose learners, irrespective of their programs and departments, to different entrepreneurship ventures they need to survival in the contemporary society (NUC, 2022). The GES 400 aimed at helping students acquire at least one entrepreneurial skill before graduation and to be creative, self-dependent job creators and business owners without depending on the government for the limited white-collar jobs and employment. To start up and grow a business, contemporary learners of Entrepreneurship course should acquire distinctive entrepreneurial competencies to face competitions and succeed favorably in the competitive business environment.*

**Keywords:** *Entrepreneurship, Distinctive competencies, technological advancements, business, quality and customers.*

### Introduction

There is competition in the business world, especially in this era of vast technological advancements. Every entrepreneur targets getting and retaining customers to patronize his products and services. For any entrepreneur to attract customers, handle the changing environmental forces and survive in entrepreneurship pursuits, there must be distinguishing elements that separate his business from competitions regularly and these deal with distinctive competencies development. The Distinctive entrepreneurship competencies help entrepreneurs gain a competitive advantage over others in a similar business line. The Distinctive competencies vary over time for a given business as new technologies emerge, market trend changes, and

competitors develop new abilities. Thus, there is a need for regular business reviews and analyses to keep the distinctive competencies updated with new environmental developments.

By the end of this article, readers should be able to:

1. define entrepreneurship competencies
2. explain the different types of entrepreneurship competencies
3. differentiate between core competencies and distinctive competencies
4. discuss the concept of distinctive entrepreneurship competencies
5. distinguish among the categories of distinctive competencies
6. identify the characteristics of distinctive entrepreneurship competencies
7. apply the procedure to determine a business's distinctive competencies
8. explain the strategies to develop distinctive entrepreneurship competencies
9. discuss the importance of distinctive entrepreneurship competencies

### **Definition of Entrepreneurship Competencies**

To define entrepreneurship competencies, it is necessary to understand each keyword, entrepreneurship and competency. Many definitions of entrepreneurship point to an entrepreneur's ability to start-up a novel or modify existing business venture to make or maximize profits (Team, 2020, Stanford University, 2022, Center for American Entrepreneurship, 2024). Entrepreneurship, therefore, refers to the act of establishing a business through creating innovative or enhancing existing products, ideas and services for profit-making purposes.

Sastry (2019) defined competency as behaviour that provides a guideline for identifying, evaluating, and developing an individual's behaviours. Competency refers to an attribute or activity that makes someone or a business outstanding. Competencies are things an organization performs well (Richards, 2017).

Entrepreneurship competencies signify an entrepreneur's capacity to create, innovate, and recognize strengths, opportunities, and weaknesses (Zizile & Tendai, 2018). Entrepreneurship competencies are the characteristics or attribute an entrepreneur needs for a successful entrepreneurship venture. These characteristics include abilities, motives, traits, specific knowledge, and skills that lead to business startup, growth, and survival. According to Lackeus (2015), entrepreneurial competencies refer to knowledge, attitude, and skill, which affect entrepreneurs' ability and eagerness to carry out entrepreneurship activities and create new value. Entrepreneurship competencies involve the skills entrepreneurs require to undertake, manage and control their businesses for business goal realization (Jenkins, 2016). As an entrepreneur interacts with the business environment, he needs to develop competencies in the technical, managerial, attitudinal, behavioral, and intellectual areas, to enable him to handle competitors and other environmental forces that might affect his business effectively.

## **Types of Entrepreneurship Competencies**

Scholars identified several competencies that business owners require to excel in entrepreneurship's competitive environments. These entrepreneurship competencies include managerial or organizing, strategic, conceptual, opportunity, technical, commitment, relationship, and behavioral competencies.

**Managerial competencies:** An entrepreneur can also function as his business manager. Managerial competencies deal with an entrepreneur's ability to direct the entrepreneurial activities by organizing, controlling, monitoring, coordinating, and utilizing all internal and external resources effectively. Managerial competencies enable entrepreneurs to ensure that all the business sectors and staff function optimally towards achieving business goals without wasting resources and time.

**Strategic competencies:** An entrepreneur should set the roadmap for his business through effective strategic planning and leadership processes. Strategic competencies deal with an entrepreneur's ability to set clear and long-term goals for his business design; implement strategies for achieving those goals, and evaluate these strategies regularly to ensure success. As the business environment and forces change, entrepreneurs need to modify and adjust their business strategies to meet the changing environmental situations.

**Conceptual competencies:** Conceptual competencies are behaviors that are difficult to identify in entrepreneurs but contribute immensely to entrepreneurship success (Lazar & Paul, 2015; LI, 2009). These competencies involve an entrepreneur's ability to learn, be creative and innovative, think logically, make decisions, resolve challenges, and manage business risks and uncertainties (Bird, 1995 cited in LI, 2009). Conceptual competencies require entrepreneurs to possess decision-making, problem-solving, risk assessment skills, and high analytical and cognitive abilities. Conceptual competencies, like strategic competencies, involve abstract qualities; however, conceptual competencies require spontaneous actions and focus on solving problems on a short-term basis (Man et al., 2002, LI, 2009).

**Opportunity competencies:** Opportunity competencies, according to McClelland (1987), cited in Lazar and Paul (2015), remain an essential competency for entrepreneurship success and an entrepreneur's most distinguishing attributes. Opportunity competency requires an entrepreneur to develop skills in looking for new business opportunities, identifying opportunities, and taking proactive actions in utilizing those opportunities to improve his business. Entrepreneurs should be eager to recognize and take advantage of every novel opportunity the environment presents to be successful; for example, some entrepreneurs identified and utilized the opportunities the Covid-19 pandemic brought to migrate their businesses to the online environment, thus making their businesses visible to the global society.

**Technical competencies:** Technology changes with time and affects production equipment, processes, products, and customer behaviours. Technical competencies require entrepreneurs to be conversant with the current technologies relating to their business area and how to use them to improve productivity and satisfy customers' demands more efficiently. To possess technical competencies, an entrepreneur should acquire knowledge and skills on how to utilize technology to do research and search for information to solve business problems, handle and

operate necessary equipment, tools, or instruments for his business, and master the works and tasks involved in it in responses to the market and technological trends.

**Commitment Competencies:** A business's success is dependent on the level of seriousness, effort, and time the business owner invests in his venture. An entrepreneur is responsible for his business progress and should take proactive actions to ensure the effective functioning of all the business sectors without being compelled externally. Commitment competencies deal with an entrepreneur's intrinsic desire to succeed in his business by being diligent, dedicated, and committed to his business responsibilities and activities and initiating actions that will move the business forward.

**Relationship competencies:** An entrepreneur cannot exist alone in a business environment. He needs to work, interact and connect with people such as customers, employees, suppliers, consultants, lawyers, bank workers, and government agencies, among others, to achieve his business goals. Ramsden and Bennett (2005), cited in LI (2009), noted that small businesses depend on building networks with experts and professionals to receive support and advice. Relationship competencies deal with an entrepreneur's ability to develop and maintain strong relationships and networks; among people that matter in his business on a one-on-one and one-to-group basis. The relationship competencies involve having interpersonal, communication, and convincing skills, contacting and connecting with people, and building some level of trust and cooperation among these people. Relationship competencies require regular relationship building and restructuring as the business progresses.

**Behavioral competencies:** Various market situations and environmental forces present entrepreneurs with different challenges and opportunities. How an entrepreneur responds and reacts to different entrepreneurial situations determines his business success. Entrepreneurs must develop optimistic and proactive behaviours to handle innovations, opportunities, and risks in the business for long-term benefits. Behavioral competencies deal with an entrepreneur's characteristics of being persistent, creative, initiative, and responsible; to ensure business progress and high product/services quality despite challenges.

The entrepreneur competencies guide young and existing entrepreneurs in performing their businesses intentions successfully and rising above the competition. Thus, the broad categories of entrepreneurship competencies are the core and distinctive entrepreneurship competencies.

### **Differences between Core Competencies and Distinctive Competencies**

Core competencies refer to those activities that an organization does exceedingly well that generate value for the organization. Core competencies are central to organizational performance, success, and survival. For example, a digital television provider (such as GoTV or Startimes) may exhibit core competency by giving its customers easy access to television and movie content. Examples of core competencies; include project management, good organization skills, communication skills, strategic planning, and performance management, among others (Tromp, 2022).

The distinctive competencies are those abilities, skills, or activities peculiar to a business, which customers can see as qualities that differentiate an enterprise from others. Distinctive competencies may be an organization's core competencies if they distinguish it from the competition. (Richards, 2017). For instance, Google has name recognition, vast resources access, and high-end products as its distinctive competencies; these made it the giant of search engines. The Distinctive competencies examples include a business's high product quality and fast delivery process.

### **What are Distinctive Entrepreneurship Competencies?**

Distinctive competencies are those characteristics that make an enterprise or organization unique and different from other competitors. Snavely (2009) defined distinctive competencies as specific abilities a firm possesses that make it perform better and gain marketing opportunities above its competitors. Distinctive competencies include skills, resources, and practices, which an organization implements that make it unique and superior to other similar organizations. Distinctive competencies refer to the product, service, or firm's characteristics that attract buyers' more purchasing abilities to it other than that of a competitive firm (Inman, 2007). The distinctive competencies also refer to an organization's strengths that meet customers' demands and increase its awareness and reputation, giving it a competitive edge in the market. Distinctive competencies are hard to imitate and include values that customers derive from an organization that they cannot get elsewhere.

No business is the same even though they render similar services or have the same products; there must be a unique characteristic that sets a particular enterprise apart and makes it compete more favorably than others. For example, Indomie and minimi industries are two noodles producing industries; however, each manufactures noodles with different tastes. The distinctive noodle taste makes customers prefer one noodle product over another.

Explaining the historical perspective of distinctive competencies, Snavely (2009) noted that Philip Selznick introduced the distinctive competencies concept in 1957 after studying different organizations from 1949 to 1957 and identified that each organization has specific strengths and weaknesses. Philip Selznick stated that entrepreneurs have the role of identifying, investing in, and protecting their business's distinctive competencies and resources that gave rise to those competencies (Bryson, Ackermann & Eden, 2007 cited in Lupa, 2019). Elaborating on distinctive competencies in 1971: Kenneth R. Andrews noted that these competencies include an organization's strengths and activities that other competitors cannot perform nor imitate. Also, Howard H. Stevenson established in 1976 that there were varying views about the strengths, weaknesses, and distinctive competencies among those at the managerial positions in their respective organizations, after studying six companies' planning strategies.

Entrepreneurs and managers must assess the internal and external business environment to establish an organization's distinctive competence. Identifying an enterprise's distinctive competencies is necessary when developing business strategies. Distinctive entrepreneurial characteristics could occur in different capacities such as in management, marketing techniques, manufacturing, technology, and other innovative strategies; designs, customer relations, and

acceptance, among others. The Distinctive competencies examples include superior product quality, creative advertisement, a high customer support system, low-cost production, price reduction, and new product manufacturing, among others. Any characteristic that an enterprise uses to gain an advantage over others remains its distinctive competence.

### **Categories of Distinctive Competencies**

Inman (2007) grouped the distinctive competencies into four categories, namely: quality, service/time, price/cost, and flexibility competencies. These Distinctive competencies are below.

**Cost/price competency:** A business with cost/price competency competes with a similar business by reducing the price of its products/services. Cost/price competency enables an entrepreneur to produce goods/services at reduced expenses/costs and offer them to customers with a reduced profit margin. A business with these characteristics has an opportunity for large-scale production/services continuously, which lowers the cost-per-unit production. Thus, customers patronize the business products/services due to their low prices and availability rather than the brand differences.

**Quality competency:** Quality competency is measured based on different dimensions such as product/service performance (such as good sound quality and multiple channels for a digital TV/decoder, and quick service delivery), conformity to standards, features (such as split screens and free product delivery), durability (determined by how long a product lasts before replacement), reliability (determined by how long a product works before breaking down for repairs), serviceability (determined by customer service availability and prompt response, especially during repairs), aesthetics (such as a product's taste, texture, smell, or looks) and customer's perceived quality (for instance, some customers may be preferred foreign-made to locally-made goods) (Garvin, 1987 cited in Inman, 2007). A business can have a competitive edge over another by offering products/services based on any or some of the quality dimensions. For instance, an entrepreneur can offer a product with maximum standard and reliability but fail in durability. Inman noted that competing with all the quality dimensions at once may be impossible for a firm due to inherent expenses and trade-offs limitations.

**Service competency:** Service competency refers to a business's ability to provide service for its products/services above competitors. This competency could imply truthfulness, accessible location, speedy delivery, or good customer service.

**Flexibility competency:** Flexibility competency refers to an organization's ability to be flexible in its business strategies, manufacturing, and management processes to cope with the dynamic environmental forces. Flexibility gives an entrepreneur a competitive advantage when he can respond quickly, adjust strategies; allocate appropriate resources to different business areas or apply a more advanced technology

to manufacture products or render services with lesser efforts, cost, and time, and adapt to any environmental change and customers' demands.

## **Characteristics of Distinctive Entrepreneurship Competencies**

The following are the characteristics of distinctive entrepreneurship competencies

**Uncommon among competitors:** Distinctive competencies are qualities that distinguish one business from other competitors. Those qualities are unique and rare among other competitors.

**Sources of competitive advantage:** Distinctive competencies promote a business's value proposition, making it stand out and rise above competitors. These competencies provide an organization with a competitive edge because they have qualities and strategies lacking in others.

**Difficult to imitate:** Competitors find it hard to duplicate those attributes that give a company a competitive advantage because they remain its top secrets. Distinctive competencies may be difficult to imitate due to the following reasons:

competing organizations may not understand the principles or strategies an organization has implemented; organizations develop or acquire their distinctive competencies through specific conditions, and these competencies depend on numerous social circumstances (courses.washington.edu, 2022)

**Organization's strength:** Distinctive competencies are strengths an organization has over competitors. Organizations obtain these strengths by identifying and utilizing opportunities and warding-off risks/threats within and outside the business environments.

## **Procedure to Determine a Business Distinctive Competencies**

The following processes can assist entrepreneurs and managers find out their distinctive competencies.

1. Ascertain the business strengths and weaknesses by conducting a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis to review the internal (Strengths and Weaknesses) and external (Opportunities and Threats) forces affecting the different business aspects.
2. Find out how those strengths and weaknesses affect the customers and marketplace.
3. Conduct market/customer needs analysis to identify their preference or what stands as the business's competitive advantages over others.

The distinctive entrepreneurship competencies are those business strengths that satisfy customers and market needs and boost the business competition level. An internal review should occur regularly to check if the distinctive competencies correspond with the current market trends and customers' requirements; this will make an entrepreneur stay on top of the competition list and becomes successful. Thus, managers and business owners should have the ability to ascertain how the market competition changes and whether they would adjust the companies' distinctive competencies. Doing this requires management personnel to sieve out some/all of the company's weaknesses and take advantage of the strengths and opportunities identified through regular monitoring of the business environment.

## **Strategies to Develop Distinctive Entrepreneurship Competencies**

- ❖ An entrepreneur can develop distinctive competencies for his business using the following techniques:
- ❖ Hiring employees with better qualifications, skills, and experience than the competitors.
- ❖ Improving the business products and services quality by implementing the current technological innovations in the environment into the business processes.
- ❖ Locating new or abandoned marketing environment for products/services advertisements and sales.
- ❖ Sourcing for local raw materials and resources to reduce the product/service cost-per-unit production.

## **Importance of Distinctive Entrepreneurship Competencies**

The following are various benefits an entrepreneur can achieve by determining and utilizing his business's distinctive competencies.

**Achieve long-term business goals:** Distinctive competencies help organizations to focus on achieving their long-term business goals as they continue identifying and solving new market and environmental challenges.

**Increase competitive advantage:** Distinctive competency development equips entrepreneurs with business skills and strategies to compete favorably in the market and have an increased competitive edge over others.

**Improve customers' loyalty:** Distinctive competencies help customers get value for their money from the product and services they receive from a particular enterprise. Since customers would be getting value propositions and services, which no other enterprise can offer, they tend to remain loyal to a given organization.

**Develop new business strategies:** Distinctive competencies enable entrepreneurs to develop new business strategies regularly to handle the changing market trends and remain above their competitors.

**Create new learning opportunities:** Distinctive competencies opportunities for an entrepreneur to learn new ideas and requirements for his business to become an authority in that business line.

**Capitalize on business's strength:** Distinctive competencies help entrepreneurs identify their weak and strong areas and focus on those qualities or behaviours necessary for business planning and growth.

**Lead to business growth and survival:** Distinctive competencies help sustain a business in a competitive environment when such a business continues to give out superior products and services that attract many customers.

## **Conclusion**

Young entrepreneurs and small business owners need to develop some competencies to survive and grow in the business environment. Applying entrepreneurial competencies in any business



pursuit remains the primary process through which every entrepreneur can always increase profits. Some entrepreneurial competencies are core and central to every business's existence and performance, while others are distinguishing characteristics that make a business stand out among others in competitions. Customers need to identify tangible values and benefits that should attract their loyalty to an organization over others. These value propositions are the distinctive competencies that may depend on quality, service/time, price/cost, and flexibility. Distinctive competencies are the business strengths and sources of competitive advantage for any successful entrepreneur, and they are always rare among competitors and should be hard to imitate. Every competitor always seeks to remain at the top by implementing newer strategies and ensuring that another business's distinctive competencies do not last; therefore, contemporary entrepreneurship learners should scan the business environment continuously to develop new distinctive competencies that would grow and maintain their products/services awareness and patronage.

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