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**SMALL FASHION BUSINESS OWNERS AND THEIR BUSINESSES
IN THE VAAL REGION**

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NHD (Clothing Design), B Tech (Education: Post-School)

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ABSTRACT

Introduction: Entrepreneurial fashion businesses are very important due to the employment, income, products and services they provide. The South African government has identified small, medium and micro enterprises (SMMEs) to address the economic challenges in this country. Entrepreneurship development is a means to economic development, which implies developing an entrepreneurial population.

Aim: To acquire an integrated perspective on fashion entrepreneurs, their businesses and the technological environment in which they function, in order to understand the maintaining of a successful fashion business and to offer recommendations for the training and development of potential and existing fashion entrepreneurs.

Method: A convenience sample of 100 fashion entrepreneurs in the Vaal Region was selected. A self-administered, structured questionnaire was compiled and used to gather the information. Section A focused on demographic background information, section B investigated entrepreneurial attributes, section C investigated the start-up and functioning of the business and section D concentrated on the technological environment. The instrument was tested for validity and reliability.

Results: There were more female than male respondents, which corresponds with recent global statistics. The age distribution of these fashion entrepreneurs was quite balanced between younger, middle and older groups. Nearly three-quarters of the respondents were married, mostly with children aged older than 19 years. The majority of these fashion entrepreneurs had a tertiary qualification, but only a fifth had formal business training while negligibly few had formal training in business management or other business training. Six desirable entrepreneurial attributes were investigated and ranked in the following order: Leadership; Commitment and determination; Motivation to excel; Creativity, self-reliance and ability to adapt; Customer service; Tolerance of risk, ambiguity and uncertainty. All the attributes except the last one were scored quite high. They possessed most required entrepreneurial skills and knowledge, but lacked training in specific areas. Most ran their businesses as a sole career, employing one to four people and relied on the word-of-mouth advertising method. They used computers and information technology to a moderate extent and industrial equipment to a low extent.

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CHAPTER 1

INTRODUCTION

1.1 Introductory perspectives

The importance of small businesses worldwide cannot be ignored. The South African government recently announced that it is going to direct 85 percent of its expenditure in the future to small, medium and micro-enterprises (SMMEs) which provide products and services in ten areas, amongst which are clothing and textiles, in order to advance the government's integrated small business development strategy (Ueckermann 2007:9). Small businesses make up between 90 percent and 99 percent of the businesses in Japan, Chile and the Philippines, and they provide vitally important commodities and services which cater for basic consumer needs, such as food and fashion products. In a globalised scene, survival increasingly depends on people who are driven by opportunity and who consider sustainable ways of maximising their goals and missions (Littrell 1993:72).

Entrepreneurship has a social and an economic dimension and entrepreneurial inspiration often transcends mere money making (Rwigema & Venter 2004:9). Turning a love of a skill such as sewing into a financially profitable business can be a dream come true. Horridge and Craig (2001:95) found that small business owners in apparel manufacturing reported personal fulfilment as the leading motive for starting a business, followed by professional achievement, having an income and independence.

The importance of small businesses is also predicted to be even more salient in the future due to the employment and income they provide. Unemployment is high in South Africa when taking into account that 41.8 percent of the population want work, while 30.5 percent actively search for jobs. The unemployment rate was still rising up to 2002 and it is seen as one of the most pressing socio-political problems facing the South African government (Kingdon & Knight 2004:1). The Labour Force

Survey (LFS), a biannual rotating panel household survey, provides insight into unemployment rates. The labour market pattern in 2006, based on the official definition of unemployment, shows that the latest official unemployment rate is 25.5 percent (Statistics South Africa September 2006).

In South Africa, small businesses have created thousands of jobs and they continue to do so (Rwigema & Venter 2004:4). According to Van Aardt and Kroon (1999:3), the South African government has identified SMMEs as a medium to address the economic challenges in this country. Rwigema and Venter (2004:9) as well as Thurik and Wennekers (2004:148) emphasise that the fostering of small businesses in South Africa is urgent. It is pointed out that they collectively make a significant economic contribution to the country. Kroon (2002:215–216) confirms that entrepreneurship development is a means to economic development, which implies developing an entrepreneurial population.

1.2 Problem statement

The significance of entrepreneurship in combating unemployment and poverty in South Africa is accentuated by various authors (Burger, Mahadea & O'Neill 2004:187, Rwigema & Venter 2004:4, Christianson 2005:1).

According to Herrington (2003:6), an entrepreneurial culture and orientation is lacking in this country and the challenge is to develop an entrepreneurial climate. Authors like Horridge and Graig (2001:90) and Christianson (2005:2) highlight the importance of entrepreneurial training in order to put especially young people in a position to create their own jobs. Fashion and sewing businesses can offer exciting but sometimes difficult challenges to talented individuals in this field and it will be necessary for them to be educated regarding the requirements for starting and maintaining a successful business.

In order to make recommendations for an effective training and development programme, personal information on entrepreneurs, their attitudes and behaviours,

the functioning of their businesses and the technological environment in which they operate in the fashion world is needed.

Many authors (Littrell, Stout & Reilly 1991:28, Hisrich & Peters 2002:66-69, Kuratko & Hodgetts 2004:28, Rwigema & Venter 2004:60) on entrepreneurship are of the opinion that there are specific desirable and acquirable attributes and behaviours that entrepreneurs should possess or develop in order to be successful. Testimony given by successful entrepreneurs reveals attributes and behaviours that they have in common, such as the ability to respond positively to challenges and learn from mistakes, personal initiative, and great perseverance and determination (Timmons & Spinelli, 2004:249). This viewpoint is extended by Horridge and Craig (2001:90) with the statement that the values and philosophies held by respective business owners directly influence the strategies of their businesses.

However, there is a lack of information on small fashion businesses and their owners in this country (Van Aardt & Kroon 1999:3). If an entrepreneurial culture in the fashion world in South Africa is to be developed, urgent attention must be paid to training and development of existing as well as potential entrepreneurs. It is consequently necessary to obtain an integrated perspective on entrepreneurs, their businesses and the technological environment in which they function, in order to identify problems which should be addressed in training programmes.

1.3 Aim and objectives of the study

1.3.1 Aim

The broad aim of this study is to acquire an integrated perspective of fashion entrepreneurs, their businesses and the technological environment in which they function in order to understand the starting up and maintaining of a successful fashion business and to offer recommendations for the training and development of potential and existing entrepreneurs in the fashion world.

1.3.2 Specific objectives

The objectives are:

- To determine the following aspects with reference to entrepreneurs in the fashion world in the Vaal Region:
 - Demographic background
 - Personal attributes
 - Specific skills and knowledge possessed and lacked.

- To investigate these entrepreneurial businesses regarding:
 - Start-up
 - Business functioning
 - Technological influences.

- To develop guidelines for education, training and the technological development of potential fashion entrepreneurs in the Vaal Region.

1.4 Research framework

Cooper and Schindler (2003:81) describe research design as the blueprint for fulfilling objectives. Research design is the structure of a research problem as well as the plan to investigate the problem, which is used to obtain empirical evidence with reference to the problem. Research design is an activity and time-based plan, which is always based on the research question that guides the selection of sources and types of information. It is also a framework for specifying the relationships among the study's variables and outlines procedures for every research activity (Cooper and Schindler, 2003:146).

An applicable framework for the purpose of this study was developed, based on three well-known frameworks designed for entrepreneurial assessment by Kirby (2003:3),

Gartner (2004:44) and Ronstadt (2004:39). The entrepreneurial assessment approach of Ronstadt (2004:39) was based on his qualitative, quantitative, strategic and ethical assessment of the type of environment, type of business and type of entrepreneur and he linked these assessments to experience and education as well as to stages of entrepreneurial career. Gartner (2004:44) established variables in new-venture creation to be the environment, the organisation, the process and the individual, while Kirby (2003:3) divided entrepreneurship development into three sections: entrepreneurship and the environment, entrepreneurship and the person and entrepreneurship and the organisation.

An applicable framework (Fig.1 below) for the purpose of this study was developed, based on the three well-known frameworks mentioned above.

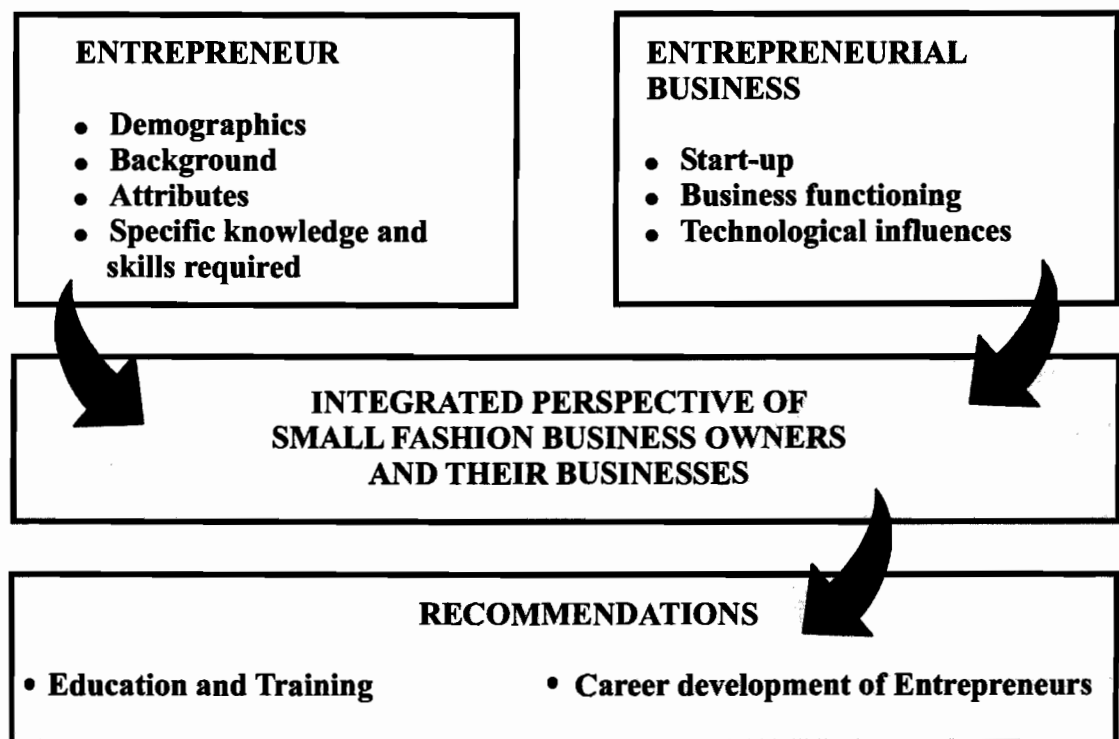


FIG. 1 RESEARCH FRAMEWORK

1.5 Key terms

For the purposes of this research the following key concepts have been described. All the definitions are based on relevant literature and adapted for the purpose of this study.

Entrepreneur. A person that takes the initiative to start a business with the aim of making a profit, while accepting the associated risk (Hisrich & Peters 2002:9). Entrepreneurs are also described as unique individuals with an intense commitment and determined perseverance to excel through their sense of opportunity, their drive to innovate and their capacity for accomplishment (Kuratko & Hodgetts 2004:112).

Entrepreneurship. A field of business that seeks to understand how opportunities create something new to arise, which are discovered or created by specific persons who then use various means to exploit or develop them, thus producing a wide range of effects such as the receiving of resulting rewards and personal satisfaction and independence (Hisrich & Peters 2002:10, Baron & Shane 2005:4).

Small business. Small businesses make up the greatest part of established businesses. They are usually run by the owners themselves, have formal business premises and meet the registration requirements. Employment varies between five and 50 people (Moolman 1998:29).

Micro-enterprise. Micro enterprises are very small, with usually just the owner, one or two family members or one or two other persons being employed. These enterprises are usually informal since they do not have licences, pay taxes, keep records or do business on formal premises. They also have a limited capital base and little or no business skills. Some micro enterprises, however, do grow into fully-fledged small enterprises and their levels of income vary considerably (Moolman 1998:29).

Business owner. The person who has majority ownership and takes an active role in managing a business as well as using the resources of the business in such way as to

make a profit (Cronjé, Du Toit & Motlatla 2004:42).

1.6 Structuring of dissertation

The content of the dissertation is in agreement with the set objectives of the study and is structured as follows:

Chapter 1 presents an introductory perspective on the dissertation. This chapter includes the title, the motivation for the study, the problem statement, the objectives, the research framework as well as the definitions of key concepts.

Chapter 2 gives an overview of relevant literature, in correspondence with the research framework. The chapter includes two main sections. Section one discusses demographic information, entrepreneurial background and personal attributes, as well as specific skills and knowledge, as related to entrepreneurial success, while in section two the start-up and functioning of the business is reviewed.

Chapter 3 discusses the research design and methodology. The study population and sample selection, development of the measuring instrument, methodology of data gathering and statistical processing of data are discussed.

Chapter 4 focuses on the results obtained from the empirical study and provides the profile for fashion entrepreneurs regarding their demographic background, selected personal attributes and specific skills and knowledge possessed and required, as well as the start-up and functioning of their businesses in a technological environment. The results of this study are compared with relevant literature discussed in Chapter 2.

Chapter 5 summarises conclusions of the study, revealing problems, strengths and weaknesses that fashion entrepreneurs in the Vaal Region experienced. Recommendations regarding education, training and the development of potential and existing fashion entrepreneurs, based on the perspectives acquired, as well as recommendations for future research are proposed.

CHAPTER 2

LITERATURE REVIEW

2.1 INTRODUCTION

An introductory perspective on the research is given in Chapter 1. The research framework (Figure 1) can be regarded as the point of departure for this study, which focuses on small fashion businesses and their owners. This chapter will focus on the possible influence of demographics and entrepreneurial background on entrepreneurial behaviour, as well as on various factors regarding the functioning of small businesses.

According to Burns (1999:3), one should by now have moved from the Manufacturing Age to the Information Age, during which the necessity for entrepreneurial thinking and know-how should be developing fully. The tendency towards self-employment will be an essential shift in the nature of work during this century. World-wide, SMMEs play a key role and are recognised as one of the mechanisms for job creation, income generation and poverty enlightenment (Jain 1998:4, Moolman 1998:27, Scott, Rosa and Klandt 1998:3, Fielden, Davidson & Makin 2000:295, Ladzani & Van Vuuren 2002:154, Kuratko & Hodgets 2004:5).

During the eighties, the status of small businesses began to rise due to their creative ability to invent new products and create new jobs (Baron 2000:15, Thurik & Wennekers 2004:143). In growing numbers men and women built their careers in small businesses with recognition of better education and assistance from many groups committed to giving small businesses a helping hand (Siropolis 1990:21, Moolman 1998:27, Carter & Jones-Evans 2000:35, 80, Thurik & Wennekers 2004:143). The dramatic change of the global business environment as well as both domestic and international innovation and economic growth are increasingly influenced by entrepreneurial businesses (Solomon & Whiting 1999:23, Hisrich & Peters 2002:14-15, Kuratko & Welsch 2004:3). Independent small businesses can

often meet the specific needs of a market better than large businesses. Many small businesses, including those of fashion entrepreneurs, contribute to the local economy, pay taxes and generate a comfortable living (Wolfe 1998:544, Cronjé *et al.* 2004:4, Rwigema & Venter 2004:4). Entrepreneurship is, therefore, encouraged and nurtured by today's economic climate and lifestyles as well as education and business trends (Baron 2000:17, Juul 2002:4, Granger & Sterling 2003:1-2, Thurik & Wennekers 2004:147). Another fashionable concept in a modern, multi-cultural society is ethnic entrepreneurship, because these entrepreneurs have the potential for solving unemployment problems of ethnic groups in cities. Ethnic entrepreneurs are people with different cultural, geographical, linguistic and socio-economic backgrounds (Masurel, Nijkamp, Tastan & Vindigni 2002:238, 255).

Entrepreneurship can be defined as the process of creating something new or recognising an opportunity and assuming calculated risks and rewards by the implementation thereof (Moore 2000:176, Hisrich & Peters 2002:10, Kaplan 2003:5, Kuratko & Hodges 2004:28-30, Rwigema & Venter 2004:6, Timmons & Spinelli 2004:47). Furthermore, entrepreneurship is also seen as the process of conceptualising, organising and launching and through innovation, nurturing the business opportunity to become a potentially high growth business in a complex and unstable environment (Kaplan 2003:4, Baron & Shane 2005:4-5).

Entrepreneurial orientation is critical for entrepreneurial development as well as the economic prosperity of nations (Kirby 2003:29, Nieman, Hough & Nieuwenhuizen 2003:11). Therefore it is important to exploit the entrepreneurial driving forces of all people, including children (North 2002:24, Kroon, De Klerk & Dippenaar 2003:319). Usually, entrepreneurship and new business creation flourishes when economies are rapidly changing and economic development is uncertain (Kirby 2003:59). Generation X and Y as well as the Baby Boomers, were born in a world different from the one their parents entered, therefore, the changes in families, the workforce, technology and demographics in recent decades will affect their attitudes (Kushell 1999:21-22, Lamb, Hair & McDaniel 2000:65). Today's younger age group is

referred to as generation X, because they “X-ed” out of traditional opportunities. The twenty-first century’s population may be known as Generation E, because they are becoming the most entrepreneurial generation since the Industrial Revolution (Kuratko & Hodgetts 2004:112).

A great part of the world’s economy is accounted for by the fashion industry, as illustrated in the United Kingdom, where the clothing and textile industries are characterised by SMMEs (Hughes 2005:13). Fashion entrepreneurial businesses, like *haute couture*, as well as the rest of the fashion industry have become market-oriented, which means that they do not dictate any longer what the customer should wear, but rather focus on their customer’s needs (Jarnow & Dickerson 1997:2, Costantino 1998:6). It is, therefore, important for small fashion businesses to be committed to bring comfort and elegance to their clients. The image of the entrepreneurial business needs to support the overall look and focus of the organisational brand (Van Doorene 2006:55). Changes in customer demands and expectations of today’s fashion market allow small fashion businesses, which are able to produce small quantities of high quality garments with a shorter product life cycle to grow into sustainable and successful businesses (Fu-Lai Yu 1999:238, Hughes 2005:13).

A question that comes to mind is: “How important are small fashion businesses for South Africa?” Small businesses and their owners are extremely important world-wide, but especially in developing countries such as South Africa, where job creation and the offering of essential products and services play a critical role (Gouws 1997:144, Nieman *et al.* 2003:40, 82, Rwigema & Venter 2004:9). The small business sector is, therefore, critical to this country’s economy. It can become a dynamic and creative force in the economy and also influence the community by enriching the lives of people (Siropolis 1990:6, Kaplan 2003:4, Thurik & Wennekers 2004:148).

In order to promote economic empowerment, SMMEs have been identified by the South African government to address the economic challenges of a high

unemployment rate (Van Aardt & Kroon 1999:2, Kingdon & Knight 2004:1). The South African White Paper on the National Strategy for the Development and Promotion of Small Business (1995) is evidence of the fact that the South African government realised the necessity of the development of small, medium and micro-enterprises in order to confront the problems of job creation, economic growth and equity (O'Neill & Viljoen 2001:37, Ladzani & Van Vuuren 2002:154). Supporting entrepreneurs by smoothing the interaction between government departments and entrepreneurs regarding the registration process of their businesses, will facilitate the growth of these businesses (Nieuwenhuizen & Kroon 2002:21, Jones 2003:10). A strategy for the development of entrepreneurship in South Africa is further suggested by Kroon (2002:215), which implies developing an entrepreneurial population towards opportunity orientated thinking that will foster an entrepreneurial culture and economic literacy. An important associate in the creation of an entrepreneurial culture is the incorporation of entrepreneurship programmes into the educational system from a pre-primary level through to a university level.

During the 1980s, the Small Business Development Corporation (SBDC) initiated innovative projects like small business incubators or entrepreneurial friendly environments for the survival of SMMEs in South Africa. These premises offered small businesses subsidised rent as well as an opportunity for entrepreneurs to support each other with advice and contracts (Laing 2003:40). According to Kirby (2003:39), certain community groups from different cultures, resulting from discrimination in society, are forced to seek opportunities to earn an income through self-employment. Therefore, these people are seen as more natural entrepreneurs.

The new South African government prioritized and started a process of changing the environment in which small and medium businesses could operate (Nieman *et al.* 2003:165). South African entrepreneurship falls behind, because it is less entrepreneurially orientated than other developing countries, which could impact negatively on the country's economic and job situation. Therefore, the challenge is to create a more entrepreneurial climate and to provide effective and targeted support for each group of entrepreneurs (Gouws 1997:143, Herrington 2003:6). Demographic

changes also represent new opportunities to entrepreneurs. Growing urban populations and the accompanying cultural changes offer new opportunities from which conscientious entrepreneurs can benefit as well as the movement towards two-income families that predicts well for service provision and the marketing of convenience products (Rwigema & Venter 2004:30).

Intensifying the problem of unemployment in South Africa is an educational system that is slow in responding to the country's economic needs. The skills required to drive the economy are limited and contribute to the low SMME development (Gouws 1997:143). It must be pointed out, however, that the government has started creating initiatives through which young entrepreneurs, who are the key for the growth of SMMEs, can become active participants in the economy. Because the youth is an important force in the social, economic and political performance of a society, youth entrepreneurial learnership programmes are important in order to develop and prepare the youth to survive in the changing world of work. They can be viewed as the valid group from which new entrepreneurs should emerge in the future. Therefore, the improvement of South Africa's educational system regarding entrepreneurial training and education needs to be attended to (Gouws 1997:143, Jones 2003:10, Kroon *et al.* 2003:322, Burger *et al.* 2004:187, Christianson 2005:1-2).

The South African public policy offers various programmes aimed at making meaningful contributions to job creation. On the one hand, there is the government's labour-intensive public works programme and on the other, the broad entrepreneurship development efforts such as the new Small Enterprise Development Agency (Seda) and the Umsobomvu Youth Fund (UYF). The Umsobomvu Youth Fund, an example of the above initiative, has become a vehicle for entrepreneurial development through its various models and partnership with the private sector (Nieman *et al.* 2003:166, Christianson 2005:2, Ndebele 2005:19). Realising a big opportunity in financing businesses, Sasfin was established in South Africa as a specialist banking and financial service group, offering a range of business finance facilities to entrepreneurs (Sassoon 2006:61).

Fashion entrepreneurs face many challenges daily in an ever-shrinking market, trying to spend their money wisely and to make educated choices. To address this need as well as to empower and facilitate individuals to grow their businesses into profitable and meaningful businesses, the Cape Town Fashion Council (CTFC) was established, with the main aim to help these young, innovative entrepreneurial fashion businesses grow into a sustainable fashion industry (Bulbulia 2006:72). A common goal of South African fashion entrepreneurs is to compete in the global market with quality, innovation and style (Gordon 2003:2). Knowledge of foreign markets can be obtained through networks of customers, agents and distributors. (Hutchinson, Quinn & Alexander 2006:528).

The global Fashion Week events also serve as a prestigious platform to expose young up-coming fashion designers or entrepreneurs. In South Africa, the annual Sanlam South African Fashion Week as well as the Design Indaba Expo are the perfect platforms for fashion entrepreneurs to focus on the design and brand identity of their work, as opposed to just a marketing opportunity, but it also offers a network opportunity (Malan 2007:29). In September 2006 several South African well known fashion designers or entrepreneurs from the Fashion in Africa Project were part of the London Fashion Week in London. This illustrates that with the correct business and government support and a long-term commitment, South African fashion has finally arrived and will open the international market for local entrepreneurship (Levin 2006:28-29).

2.2 THE ENTREPRENEUR

An entrepreneur can be defined as a passionate, innovative and success driven individual who initiates and establishes an economic activity, works for him or herself, sets high targets or goals and achieves them by organising and managing a business successfully to be profitable and benefit society (Littrell *et al.* 1991:37, Viviers 1995:1, Steyn 1998:2, Wolfe 1998:544, Solomon & Whiting 1999:8, Pughe-Parry 2001:22, Honey 2006:7). Baron and Markman (2003:281) suggest that entrepreneurial success depends on the extent to which entrepreneurial attributes,

talents and skills or abilities match the requirements of being an entrepreneur, which means the ability to create new businesses by transforming discoveries into viable products or services. Furthermore, entrepreneurship is not limited to any class, community or religion (Jain 1998:3, Kirby 2003:34). Entrepreneurs can be seen as the pioneers who often show the way to others. Other business-oriented individuals can feed from their original contributions (Christianson 2005:4).

The fashion entrepreneur is seen as a magnificent creature who personifies energy, persistence, essence, strong will and character. An individual who can build a business from scratch applying the mind, creativity and often outstanding ability to a perceived opportunity (Shim & Siegel 2000:3, Hisrich & Peters 2002:7, Van Doorene 2006:55).

2.2.1 Demographics

Lamb *et al.* (2000:64) emphasize the importance of demographic factors, which are uncontrollable variables in the external environment in determining business success. Demographics can be defined as the vital statistics of measurable characteristics of human populations. These statistics are influenced by factors such as birth-order, age, gender, education, religion, income group, geographic location and ethnic background (Burns & Bryant 1997:138, Terblanché 1998:190, Wolfe 1998:77, Coulter 2000:59, Granger & Sterling 2003:54, Miller 2003:49, Timmons & Spinelli 2004:256-257, Frings 2005:33-34).

2.2.1.1 Gender

Traditionally, the number of male entrepreneurs, especially white males, is greater than those of females (Bradley 2003:5, Kirby 2003:38, Kroon *et al.* 2003:321, Rogoff, Lee & Suh 2004:369). Alsbury (2001:6-7) as well as Kaplan (2003:15) point out that most first-time small business owners are men who run their businesses on a full-time basis. However, within the past thirty years the number of self-employed

women increased to more than twice the number of self-employed men in the United States of America and in Britain (Carter & Jones-Evans 2000:14, Kirby 2003:38, Schindehutte, Morris & Brennan 2003:94, Timmons & Spinelli 2004:256, Baron & Shane 2005:6). This increase in female entrepreneurs took place especially in the service sectors, which have been the main growth sectors for new and small businesses (Kirby 2003:38, Snyder 2003:22, Kuratko & Welsch 2004:4). Emphasis on women entrepreneurs seems to be an attempt to justify the imbalance between sexes when looking at small business owners as well as at the problem of unemployment in South Africa (O'Neill & Viljoen 2001:37).

2.2.1.2 Age

Littrell, Ma and Halepete (2005:407) distinguish between three generations which are generation X aged 29-40, the baby boomers aged 41-59 years and the swing generation aged 60-75. Due to the fact that entrepreneurs reaching their middle age (ages 35 to 45) would be able to afford the start-up costs of a new venture, self-employment becomes an increasingly inviting option for this age group, while 45 years is considered to be the latest starting point (Alsbury 2001:7, Bradley 2003:5, Kaplan 2003:15, Kirby 2003:39, Kroon *et al.* 2003:321, Nieman *et al.* 2003:29, Rwigema & Venter 2004:70, Timmons & Spinelli 2004:66, Christianson 2005:2). Another factor could be that middle-age is a vulnerable age for redundancies in times of recession. Family commitments and other social factors also explain the middle-age business sector. However, the age profile did change from 1980, as entrepreneurs tend to be younger since the eighties (Carter & Jones-Evans 2000:16, Hisrich & Peters 2002:71-72, Kuratko & Hodges 2004:112). Presently, an older business owner generation is also joining the world of entrepreneurship, whether because of early retirement or the achievement of a lifelong dream (Timmons & Spinelli 2004:258).

2.2.1.3 Marital status

Self-employment is less likely for single people than for married, widowed, divorced or separated people (Kirby 2003:39). Marital status seems to provide the support necessary to establish a successful new business, implying that most entrepreneurs are married when they start their first important business and spouses are often partners in such businesses (Gaskill, Van Auken & Manning 1993:23, Carter & Jones-Evans 2000:16-17, Hisrich & Peters 2002:32, Kirby 2003:39, Schindehutte *et al.* 2003:94, Rogoff *et al.* 2004:369).

2.2.1.4 Children

According to Carter and Jones-Evans (2000:17), one can expect that self-employed women will have dependent children. It seems that the majority of the large number of women who are starting their own businesses in the United States of America have children (Schindehutte *et al.* 2003:94). According to Van Aardt and Kroon (1999:8), it seems that most of the South African home-based clothing business owners have children of 19 years and older, which indicates that their children are possibly no longer reliant on them.

2.2.1.5 Education

It is evident that some national as well as international successful fashion entrepreneurs have no formal fashion training (Pughe-Parry 2001:22, De Villiers 2003:18, Gordon 2003:2). While many entrepreneurs may start a business with minimal or no education in their field of interest, formal education and training is important because it provides a background that can strengthen natural talent. Furthermore, it can provide a theoretical basis necessary for the individual to manage a business successfully (Scott *et al.* 1998:1, Lambing & Kuehl 2000:183, Moore 2000:177, Kaplan 2003:15, Rwigema & Venter 2004:69). In South Africa, entrepreneurs tend to have a diploma or degree as well as sufficient work experience (Van Rooyen 1997:67, Kroon *et al.* 2003:321, Smith 2004:8). Wolfe (1998:550)

recommends a bachelor's degree in textiles and clothing or an associate degree in fashion design for a fashion-related career.

Today, young people are probably the best equipped for self employment if one looks at their tertiary qualifications and the skills and experience which they possess that create a solid foundation for entrepreneurship. These young entrepreneurs are mostly computer and internet literate and thus have confidence in the power of education (Christianson 2005:2, Littrell *et al.* 2005:408). Anyone can nowadays do business from anywhere via the internet as well as enjoy education, which includes courses in entrepreneurship (Kushell 1999:23).

2.2.2 Entrepreneurial Background

The cultural environment in which people are rooted and socially developed plays an influencing role in shaping them to the degree in which they consider entrepreneurial behaviour to be desirable (Kroon 1998:97, Hisrich & Peters 2002:12). Parents have an important role to play in fostering awareness in their children from pre-school level as well as primary and high school levels. When children are exposed to successful entrepreneurial activities from a very young age, self-confidence is created, which in turn helps them to dare and take risks (Viviers 1995:4, Saiki & DeLong 2006:276). According to Dahles and Bras (1999:8), the majority of small entrepreneurial businesses are family-run businesses. The family is accepted as having the potential to make a positive input towards entrepreneurial behaviour through role models and as a support contributor (Carter & Jones-Evans 2000:113, Timmons & Spinelli 2004:66). A few background factors which seem to play a role in entrepreneurial success will briefly be discussed.

2.2.2.1 Birthorder

Although entrepreneurs come from many different birth orders, there is a trend for an entrepreneur to be the oldest child in the family, thus having had time alone with parents without other siblings. Being the firstborn or an only child is supposed to

result in the child receiving special attention and thereby developing more self-confidence (Rice 1992:257, Hisrich & Peters 2002:32, 69, Rwigema & Venter 2004:69). Research shows that most of the South African home-based business owners were middle children in their families (Van Aardt & Kroon 1999:6).

2.2.2.2 Entrepreneurial parents

According to the research the children of self-employed parents are more likely to practice entrepreneurship than those of employed parents (Hisrich & Peters 2002:34, 69, Kirby 2003:55, Timmons & Spinelli 2004:66). Entrepreneurial parents are likely to contribute to a bigger portion of young entrepreneurs globally, which is possibly true in South Africa as well. However, the lack of role models for black entrepreneurs is also evident in South Africa (Co 2003:41, Rwigema & Venter 2004:69). Role models are important in promoting the concept of entrepreneurship, because entrepreneurial family members and other role models increase the tendency towards entrepreneurship (Nieman *et al.* 2003:12, 29).

2.2.2.3 Income group

It seems that many successful fashion entrepreneurs come from a comfortable middle-class or a respectable working-class family (Breward 2003:185, 188). According to research done in South Africa, most home-based business owners come from the middle socioeconomic class, while female business owners are likely to have grown up in the middle to upper-class environments. Upper-class families with well-educated parents are quite child-centred and caring of their children and they encourage independence and self-reliance that gives their offspring an early advantage. Wealthier parents may even supply seed capital. (Van Aardt & Kroon 1999:7, Rwigema & Venter 2004:69).

2.2.2.4 Business exposure

Today, children are constantly supplied with possibilities for creative and technical products by the web industry, which did not even exist a few years ago (Siropolis

1990:48, Burns 1999:18). Furthermore, an entrepreneur results from an individual's culture, sub-culture, family, teachers and peers. Entrepreneurial school projects are encouraged nowadays, especially in South Africa. An entrepreneurial culture, like the American culture for instance, places high value on a person being his or her own boss, being successful and making money. Such a culture will generate more business formations than one that does not.

2.2.3 Entrepreneurial Attributes

Although entrepreneurs do things differently, they are anchored by certain attitudes and behaviours as well as experience, skills, know-how and contacts that they possess (Human 1998:87, Kirby 2003:108). It is not status and power or an early advantage that entrepreneurs have which contributes to their business success, but rather certain personal characteristics like responsibility, achievement and goal oriented results (Solomon & Whiting 1999:21, Timmons & Spinelli 2004:68). Personal characteristics which entrepreneurs possess are personal perspectives, ways of identifying opportunities and methods of acting, managing and adapting. Personal perspectives show entrepreneurs to be independent individuals who take initiative and risks and are flexible, while ways of identifying opportunities show that they are good at problem solving and are innovative and critical thinkers (Wolfe 1998:546, Kirby 2003:11, Co 2003:35, Kuratko & Hodges 2004:28, Rwigema & Venter 2004:60-65). Their acting methods reveal self-confidence, urgency, commitment and willpower and show that they are accountable, hard workers, active goal setters and that they establish and use social networks which contribute to their development of new opportunities (Siropolis 1990:43-47, Littrell 1993:73, Jain 1998:7-9, Wolfe 1998:544-545, Burns 1999:7, Alsbury 2001:16, 20, Granger & Sterling 2003:5-7, Cronjé *et al.* 2004:42, Kuratko & Hodges 2004:116-117). Furthermore, successful entrepreneurs are able to work under tight deadlines, are creative, have an eye for detail, have excellent presentation and communication skills and are organised (Beech 1997:4).

Timmons and Spinelli (2004:249-250) identified six themes of desirable and acquirable entrepreneurial attitudes and behaviours. These themes are commitment and determination, leadership, opportunity obsession, tolerance of risk, ambiguity and uncertainty, creativity, self-reliance and adaptability and motivation to excel. Under each theme applicable attitudes or behaviours are allocated (Dees, Emerson & Economy 2002:301-304).

2.2.3.1 Commitment and determination

Timmons and Spinelli (2004:249) view commitment and determination as more significant than other aspects for success in businesses, because with these characteristics they can overcome difficulties and balance weaknesses. The entrepreneur must be willing to make personal sacrifices for his or her business by working hard under pressure, thus giving up personal time, money and family life, which points out the level of self-assurance that entrepreneurs have in their business (Steyn 1998:4, Nieman *et al.* 2003:17, Kuratko & Hodges 2004:116). The home business owner or entrepreneur must be able to enjoy being alone, be self-disciplined and also be willing to work long hours (Spike 1990:22). In reaching their goals, entrepreneurs frequently take action to overcome obstacles that get in their way by being persistent (Jain 1998:15, De Villiers 2003:18). These obstacles should confront the entrepreneur to change them into an opportunity (Rwigema & Venter 2004:61). Burns (1999:9) describes determination as the entrepreneurial backbone. A strong commitment or passion for the business as well as to other people, is a requirement for success, which means that entrepreneurs will keep their faith, concentrate in the short term while keeping a long-term perspective (Solomon & Whiting 1999:18, Longenecker, Moore & Petty 2003:21, Rwigema & Venter 2004:60). It also requires a good sense of humour, much patience and involves never giving up, but instead building on each success and learning from the failures (Van Doorene 2006:55). Other authors who emphasize the positive effect of commitment and determination on the success of businesses are Mabanga (2001:2), Dees *et al.* (2002:301), Juul (2002:19), Kirby (2003:108) and Kuratko & Hodges (2004:116).

2.2.3.2 Leadership

Kirby (2003: 171) points out that it is increasingly accepted that leadership capability can be developed. Nieman *et al.* (2003:16) explain that leadership implies being comfortable with people, having good personal communications, confronting problems, being tolerant of differences in opinion, trusting people and giving appreciation and acknowledgement where it is deserved. An entrepreneurial leader takes initiative instinctively by an internal locus of control, which implies that entrepreneurs are visionaries as well as executors of plans (Steyn 1998:5, Timmons & Spinelli 2004:251). If entrepreneurs want to defeat competition, the excellence of their initiatives is crucial (Rwigema & Venter 2004:61). The entrepreneur's knowledge of technology and the market environment in which he or she functions, as well as being self-motivated, empower him or her to develop the business by accessing new areas, products or services (Jain 1998:14). Leadership also includes high standards and a sense of urgency, while at the same time having patience and understanding that perfection is something to constantly strive for (Dees *et al.* 2002:302-303, Cronjé *et al.* 2004:46, Timmons & Spinelli 2004:251). Entrepreneurs must be strong, decisive leaders in their business who favour team-building in order to motivate employees (Lee 2000:97, Moore 2000:89, Timmons & Spinelli 2004:252). By applying flexible management through consultation, motivation and involvement, the entrepreneurial leader helps to unite the business's members into a dynamic and productive team that will ensure the long-term stability and success of the business (Nieuwenhuizen & Kroon 2003:136, Rwigema & Venter 2004:39, 62). Phau and Lo (2004:399) point out the importance of fashion leaders for the fashion industry. Their uniqueness as well as incisive research and the ability to read the signs of change put these fashion entrepreneurs ahead as leaders in design (Jones 2005:18).

2.2.3.3 Customer service

According to Timmons and Spinelli (2004:253), successful entrepreneurs passionately pursue opportunities for accumulating resources or money and in order

to succeed in this, they should know their clients and competition closely. Solomon and Whiting (1999:18) emphasise the importance of customer service and that entrepreneurs must also be concerned about customer satisfaction by meeting their deadlines and, therefore, maintaining good relationships with their clients (Ma & Niehm 2006:634). Fashion entrepreneurs must be aware of fashion interests of their clientele to meet their fashion expectations in fabric, colour, style and quality (Saiki & DeLong 2006:273). Sending the correct message to customers and recognising all the distinctiveness that will have an effect on how the public views an unique business, will make a remarkable difference to the success of the business (Van Doorene 2006:55). During these actions the entrepreneur strives towards excellent value creation and improvement by doing things that meet or beat existing standards for excellence. Entrepreneurs are concerned about high quality of work and comparing their own work with that of others (Jain 1998:16). The measure of how well the product manufactured or the service produced by the business matches the customer's expectations, can be defined as quality (Terblanché 1998:374). Entrepreneurs should provide uniqueness rather than just being competitive in today's customer-driven economy (Low 2003:62).

2.2.3.4 Tolerance of risk, ambiguity and uncertainty

Successful entrepreneurs endure risk, indistinctness and uncertainty and they manage contradictions as well, because high rates of change, uncertainty and high risk levels are natural regarding their business (Kirby 2003:11, Kuratko & Hodges 2004:117, Timmons & Spinelli 2004:253). The entrepreneur's confrontation with risk includes spiritual risk, which implies the well-being of the entrepreneur, family and social risk, career risk and financial risk (Kuratko & Hodges 2004:123). According to Ahwireng-Obeng and Mokgohlwa (2002:30), risks can be categorized in pure and speculative risks. Pure risks are insurable and include natural risks like floods and drought, internal business operations risks like assets and people, supplier risks like delays or non-delivery and business delivery risks like public liability and product defects. Speculative risks or entrepreneurial risks are usually not insurable. These risks can be classified as commercial or non-commercial risks. Commercial risks are

those of doing business and can be influenced by entrepreneurs, like economic, market, financial, technological and resource management and operating risks, while non-commercial risks are socio-political and legal risks that cannot be controlled or influenced by entrepreneurs (Steyn 1998:5, Burns 1999:5, Solomon & Whiting 1999:18, Carter & Jones-Evans 2000:140, Gerber 2002:8, Dees *et al.* 2002:295, Goosen, De Coning & V.d.M Smit 2002:25, De Villiers 2003:18, Longenecker *et al.* 2003:21, Nieman *et al.* 2003:15, Nieuwenhuizen & Kroon 2003:136, Cronjé *et al.* 2004:46, Timmons & Spinelli 2004:67). Although entrepreneurs share financial risks with other people like investors, creditors, customers and suppliers, to mention a few, they are very considerate and, therefore, take calculated risks.

Ambiguity and stress are part of every aspect of the entrepreneurial business because of constant changes in the market where conditions are never certain (Rwigema & Venter 2004:64). The successful entrepreneur can tolerate these factors and is comfortable with the resultant conflict, which accompanies many entrepreneurial activities (Ahwireng-Obeng & Mokgohlwa 2002:30, Dees, *et al.* 2002:303, Kuratko & Hodges 2004:119, Timmons & Spinelli 2004:253).

2.2.3.5 Creativity, self-reliance and ability to adapt

An entrepreneur understands the business of identifying an opportunity to create something new, like a new product or service and then uses various ways to exploit or develop this product or service (Coulter 2000:59, Boyett & Boyett 2001:78-79, Kirby 2003:32-33, Nieman *et al.* 2003:15, Cronjé *et al.* 2004:46, Baron & Shane 2005:4). Innovative entrepreneurs are restless initiators who think creatively and generate detailed ideas (Chell, Haworth & Brearley 1991:8, Kirby 2003:15). Furthermore, their highly adaptable nature enables them to be flexible and respond quickly and effectively to changes (Steyn 1998:14-15, Fu-Lai Yu 1999:247). Entrepreneurs are also confident and believe in themselves and their ideas (Steyn 1998:6, Timmons & Spinelli 2004:254). Business competition has become more intense because of modern technology. Thus creative and innovative individuals are fundamentally advantageous for a business, as they can cut costs and improve

products or services in order to maintain a competitive edge through their ways of invention (Kroon 1998:95, Nieman *et al.* 2003:15, Rwigema & Venter 2004:65). It is, therefore, important for the success of businesses to implement systems that allow the development and support of creativity and innovation (Goosen *et al.* 2002:25). Successful entrepreneurs are quick learners and also have a strong need to know how well they are doing and how they might develop their performance. Effective entrepreneurs use feedback, which is essential to their learning from their mistakes and setbacks (Kuratko & Hodges 2004:117). They also surround themselves with people smarter than themselves from whom they will learn (Dees *et al.* 2002:303, Oosthuizen 2006:54).

2.2.3.6 Motivation to excel

Researchers found that entrepreneurs have a higher level to achieve and grow than non-entrepreneurs. Entrepreneurs are action-orientated people who are goal-and-result orientated and will use and develops logical, step by step strategies to reach their goals (Jain 1998:17, Timmons & Spinelli 2004:254). Successful entrepreneurs are opportunity obsessed and challenge every prospect for accumulating property or money, which illustrates their need to achieve challenging goals (Dees *et al.* 2002:303, Kuratko & Hodges 2004:116). However, personal motivation arises from a desire to perform rather than a need for status and power and the reward for performance gives the entrepreneur specific power (Steyn 1998:6, Timmons & Spinelli 2004:254). They are also aware of their own weaknesses and strengths and, therefore, have to maintain a sense of humour and perspective (Cronjé *et al.* 2004:45). The sources of development of motivation are literature, child-rearing or the way a child is brought up and internal locus of control, which refers to the belief that whatever happens to you is largely caused by yourself and that you can control the outcome of your actions and self-learning by thinking in the language of achievement or being achievement oriented (Jain 1998:11-12).

2.2.4 Desirable entrepreneurial skills

Rwigema and Venter (2004:43) define a skill as a combination of knowledge and the ability to apply it. New ideas and specific knowledge and skills are becoming an ongoing necessity in order to stay ahead in a competitive industry (Brown 2002:75). Competence is a mixture of knowledge, skills and suitable traits that an entrepreneur must have to execute a given task (Jain 1998:13). Specific skills required by the successful entrepreneur include:

2.2.4.1 Design skills

The manual design process as well as computer aided design/computer aided manufacturing (CAD/CAM) involves a strong creative and design component. For this reason, an eye for detail, as well as the ability to research, analyze and design are essential to a fashion business owner in order to produce and sell what consumers prefer (White & Griffiths 2000:99, Easey 2002:2, Mete 2006:292). Fashion designers or entrepreneurs should develop almost a scientific approach to the art of design by performing highly skilled techniques of sketching, pattern cutting and draping as well as fitting different body shapes and sizes as part of the design process (Spike 1990:29, Mueller & Smiley 1995:235, White & Griffiths 2000:99). Design and pattern making skills, resulting in quality products manufactured by the business, are essential (Lewis & Dickson 2003:157).

2.2.4.2 Manufacturing skills

Operations or production require skills in managing production to produce products or services within time, cost and quality constraints (Timmons & Spinelli 2004:284). New manufacturing technological advances are increasingly used by small businesses, therefore, fashion entrepreneurs need the operating skills to empower them in order to compete successfully in today's business field (Etemad & Wright 2003:3). Manufacturing equipment that is often used in a small fashion business includes power sewing machines which can be classified into three main types,

namely the lock-stitch, the chain-stitch and the overlock machine. The safety overlock machine is a combination of the chain stitch and the overlocker, the blind-stitch hemmer is also based on the chain stitch while the button and buttonhole machines are based on the lock-stitch machine (Aldrich 2004:184, Frings 2005:45,209-210).

2.2.4.3 Marketing skills

According to Spiegel (2000:3) sales and marketing skills are probably the most useful background skills entrepreneurs can have when launching a business. Marketing skills required by an entrepreneur guarantee that the creative component is used to best advantage, allowing the business to succeed and grow (Easey 2002:3). Entrepreneurs need to match their interests with the market, therefore, to be successful the business will have to be feasible in a competitive marketplace (Nieman *et al.* 2003:18). Marketing should include considerations about the product, price, place of distribution and promotion.

Marketing skills involve market research and the evaluation thereof, embracing the ability to analyse and interpret the research results, marketing planning skills, product pricing, which is the ability to determine competitive pricing and margin structures, skills in identifying, meeting and developing new customers and in closing sales, service management that includes dealing with customer complaints and creating and managing an effective service structure, distribution management, which involves the ability to organise and manage the design process from the actual design of a product or service through manufacturing and distribution to the customer, as well as skills to introduce new products to clients (Wolfe 1998:129, Timmons & Spinelli 2004:284).

International as well as national product distribution skills can be to the advantage of the business. Global networking can result in foreign shareholding as well as collaborations, which not only increase the development potential of small

businesses but also provide access to new knowledge for the local community (Ashton 2006:191-192).

2.2.4.4 Administration skills

Administration skills include the ability to solve problems, to communicate, to plan, make decisions, manage projects, negotiate, manage outside professionals as well as personnel administration skills (Timmons & Spinelli 2004:283). Management skills are important skills linked to the performance and the success of the small business. These skills include planning of the business, knowledge of competitors, market-orientation, quality of products and services, customer service, financial management and the utilisation of experts (Gaskill *et al.* 1993:24, Nieuwenhuizen & Kroon 2003:137). Communication abilities, such as verbal communication, oral and written skills largely determine the course of development of a business and also are essential to exploit profitability (Cronjé, Neuland, Hugo & Van Reenen 1990:59). An entrepreneur should keep in mind that unless one is a good and effective listener, one cannot become a good communicator, which means that listening skills are important because this skill behaviour involves preparation, absorption, processing and feedback (Jain 1998:309). An administrative aspect of importance to fashion entrepreneurs is the making of drawings, because they record styles by means of specification drawings, storyboards and/or illustration drawings. Through these drawings, the fashion entrepreneur communicates his/her ideas to clients and also deals with criticism (Aldrich 2004:187, Vorster 2006:59).

2.2.4.5 Technological skills

To deal with design developments and modern technology, the small fashion industry requires properly trained fashion entrepreneurs as designers, technologists and managers (Vorster 2006:59). Technological skills include the use of equipment and materials in order to perform entrepreneurial tasks (Coulter 2000:59). To be in business today is an excellent moment for oneself, because technological advances

have evened the playing ground in many occupations and industries (Burns 1999:4). One of the major technological developments of particular interest to fashion entrepreneurs lies in the field of information technology, consequently computer skills are required by a fashion entrepreneur in order to use computer technology, generally used as tools in the design and pattern development process as well as in the production and business management process (Glock & Kunz 1995:173).

Recent technological advances in manufacturing, transportation and telecommunications facilitate access of small businesses to consumers and suppliers world-wide. This means that today's entrepreneurs and their businesses can be competitive globally (Etemad & Wright 2003:3-4).

2.2.4.6 Business skills

Burns (1999:12, 17) points out that the entrepreneur can basically approach any business situation by mastering specific business skills. The greater part of business failure, however, can be ascribed to the lack of primary business skills such as accounting, marketing and management skills (Sykes 1992:17). Business management skills, which include skills to manage budgets, people and materials, are required for entrepreneurial success (Moore 2000:91, Rwigema & Venter 2004:36,). Planning, organising, leading and controlling are the basic management concepts (Nieman *et al.* 2003:13).

2.2.4.7 Financial skills

According to Granger and Sterling (2003:13), it is necessary for an entrepreneur to understand the financial statements of the business, because these statements serve as a management tool. Financial statements, including record keeping and pricing, to mention a few, show the condition of the business and provide information necessary to make good financial decisions (Sykes 1992:74). The financial strength of the business depends on decisions when looking for supplementary financing and taking

on new employees (Shirk & Wadia 2002:272). The ability to raise capital, forecast funds needs and to prepare budgets and manage cash flow also fall under financial skills (Timmons & Spinelli 2004:284).

2.2.4.8 Social skills

The social skills of specific competencies also help entrepreneurs to work together efficiently with others and may play a role in their success. The ability to read others accurately, make good first impressions, adapt to a wide range of social situations and be convincing, can influence the quality of entrepreneurial interactions (Baron & Markman 2000:1-2).

2.2.4.9 Time management skills

Time is important and is the one equalising factor of all mankind. The same amount of time is allocated to all and it is what one does with it that decides whether one masters it or become imprisoned by it. For businessmen or women time means deadlines (Sykes 1992:129). Daily demands to deliver on time requires that one should make time work for you and not against you. Today, since new and faster technology is developed every day, one faces severe time firmness. Flexibility is the key, because it takes seconds to receive a communication message via email or to do a transaction over the internet, but it also takes constant time to formulate a meaningful response (Du Toit 2000:10-11). Although it takes time to become skilled in computer programmes, a new generation of designers are emerging from colleges and, therefore, they are more comfortable with new technology (Aldrich 2004:184).

2.2.5 Desirable entrepreneurial knowledge

Focused knowledge and a basic understanding of all aspects of the business is necessary for business success, but a balance between specialized and general knowledge is required (Carter & Jones-Evans 2000:76, Granger & Sterling 2003:11-

12). The entrepreneur must be able to access knowledge quickly and apply the information to the business. Focused knowledge will not achieve anything if the entrepreneur is not hands-on, which means not tomorrow, but today (Sykes 1992:13, Burns 1999:8-9, Granger & Sterling 2003:10-11).

Business knowledge is gained from academic training and textbooks, work experience and networking with other entrepreneurs (Miller 2003:4). Information is the most important element at different operational levels of a business and to access the right information at the right time, the small business owner or entrepreneur has to be familiar with the various sources of information, which are natural resources, product, financial, legal and export and/or import information as well as management information (Jain 1998:40, Wolfe 1998:546-547, Nieman *et al.* 2003:114). Many fashion entrepreneurs, however, experience problems because of a lack of business background (Miller 2002:49). A fashion entrepreneur's experience and business sense are as important as his or her interest in clothes (Miller 2003:4). A sound level of expert knowledge of the following is required of fashion entrepreneurs:

2.2.5.1 Competitors

Successful entrepreneurs know who their competitors are, what they are doing and how their own businesses compare with those of competitors (Sykes 1992:148-149, Cronjé, Du Toit & Motlatla 2000:69, Granger & Sterling 2003:10). Boyett and Boyett (2001:78) suggest that the entrepreneur visits competitors' stores to find out what they do right and what they do wrong. Entrepreneurs can then decide informatively, plan tactically, act proactively and adjust easily by constantly evaluating and monitoring their competitors. Furthermore, they can determine their competitive advantage by offering better and/or different products and services to their clients (Juul 2002:36-38, Nieman *et al.* 2003:18).

2.2.5.2 Preferences

A fashion entrepreneur needs collective knowledge about the customer's tastes in order to predict the trends of success for the next season's product (White & Griffiths 2000:99). Furthermore, the fashion entrepreneur must be able to distinguish between dress codes, fads and classics, styles, accessories and taste (Wolfe 1998:31). According to these authors, most entrepreneurs are eager to share their knowledge with the prospective entrepreneur if not in direct competition with them. Market research indicates that generation X focuses on apparel comfort, value and quality, while baby boomers show interest in wearing fashionable garments (Littrell *et al.* 2005:407).

2.2.5.3 Applied art

Fashion entrepreneurs need extensive knowledge of elements and disciplines of design. The entrepreneur or fashion designer must be logical, have a good sense of proportion, colour and texture, sizing and fit as well as the selection of fabric (Glock & Kunz 1995:173, Mueller & Smiley 1995:235, Gordon 2003:2). Furthermore, the fashion entrepreneur must understand cultural needs, rituals and symbols (Vorster 2006:59). Aldrich (2004:186) states that knowledge of trimmings and design style specifications are also required from a fashion entrepreneur.

2.2.5.4 Bookkeeping

Knowledge of financial matters and how financial management must be applied to a business is crucial to achieve the objectives of the business. The entrepreneur needs to know how to read and understand financial statements and how to access money (Nieman *et al.* 2003:19). Business growth requires calculated planning, which means that the entrepreneur has to determine the cost of production and distribution as well as costs for development and management of the business (Kwestel, Preston & Plaster 1998:71, Granger & Sterling 2003:11).

2.2.5.5 Legal aspects

A further field which an entrepreneur has to be familiar about, is legal aspects such as policies, contracts, licensing, product liability, fair trade, consumer protection, environmental legislation and the promotion of access to the information and usury acts, not only to establish the business, but throughout its life (Sykes 1992:54-56, Nieman *et al.* 2003:124-128, Timmons & Spinelli 2004:283-284). The best way to protect the entrepreneur's assets and business from any unforeseen liabilities is to have good insurance policies. An insurance representative can offer suggestions regarding the business needs to the entrepreneur (Sykes 1992:78). Specific contracts, which small business owners should have a basic knowledge of, include a contract to purchase, lease contracts, credit agreements and trademarks, patents, designs and copyright (Nieman *et al.* 2003:117-120). When employing people the entrepreneur needs to conclude a contract of employment and also must keep the labour legislation in mind. Important acts such as the labour relations act, wage act, basic conditions of employment act, compensation for occupational injuries and diseases act, occupational health and safety act, and the unemployment insurance act, that regulate the formal labour law, will influence the entrepreneur (Spike 1990:39, Killian 1998:74, Lambing & Kuehl 2000:186-187). Change within the new democratic South Africa confronts businesses with new demands from unions. These demands include new labour laws, which have led to increased wages and decreased international competitiveness as well as the demands of affirmative action initiatives and equity laws (Cronjé *et al.* 2000:57).

The law provides borders for what is against the law, but it does not provide answers for moral considerations for the entrepreneur (Kuratko & Welsch 2004:78).

2.2.5.6 Export

To successfully export, the entrepreneur requires knowledge of production control as well as knowledge of basic accounting and exporting skills. It is also suggested that

the business feels at ease about meeting the demands of the local market before exporting is embarked upon. It is also necessary for the entrepreneur to understand the time schedule of the importing country in order to maintain deadlines and delivery commitments (Lewis & Dickson 2003:157).

2.2.5.7 Materials

The production process requires knowledge about resources, which include materials like raw materials, equipment, capital, packaging and labeling, manual and/or technological processes. (Cronjé *et al.* 1990:30, Juul 2002:36-38). Fabric is the predominant component of any fashion garment and fashion entrepreneurs should have sufficient knowledge of fabric serviceability properties to enable them to judge the quality thereof in relation to the cost of the fabric (Marshall, Jackson, Stanley, Kefgen & Touchie-Specht 2000:332, Brown & Rice 2001:174). Other materials include all requirements to produce a garment such as trims, fasteners, labels and miscellaneous materials such as elastic and shoulder pads (Glock & Kunz 1995:523-525, Brown & Rice 2001:218-235 & Frings 2005:130-133).

2.2.5.8 Equipment

Expert knowledge of manual as well as machine operated equipment to perform certain processes and systems, which include design tools, computers and sewing machines, is vital for a fashion entrepreneur. The more multipurpose the equipment, the more knowledge is required of the user in order to exploit all possible uses (Glock & Kunz 1995:409, Juul 2002:36-38). As capital is limited in South Africa, entrepreneurs must constantly be on the alert for technological change, especially when using labour intensive technology (Cronjé *et al.* 1990:52).

2.3 THE ENTREPRENEURIAL BUSINESS

A business qualifies as being small when the business employs fewer than 500 persons and is independently owned as well as independently managed (Siropolis

1990:8). Thinking about fashion in the global market, it can be pictured as businesses that began with small business owners at the turn of the century and today it is an enormous, many faceted business, which employs diversified skilled and talented people and offers a numerous mix of products and services including the textile and design parts, as well as the production and distribution of fashion merchandise (Jarnow & Dickerson 1997:2).

Aspects of importance for this study are the start-up, functioning of the business and technological influences which play a role in businesses currently.

2.3.1 Start-up

Before starting a new business the entrepreneur is engaged in specific start-up activities, which involve planning and organising which are the first two steps of management. Planning includes the development of a workable vision and mission of the business, exploring culture issues and importantly, creating an effective business plan (Human 1998:89, Hormozi, Sutton, McMinn & Lucio 2002:755, Granger & Sterling 2003:11-12, Kaplan 2003:6). Organising the business involves all legal issues such as the legal form of business, copyright searches and an appropriate structure design of the business that indicates how the work is going to be done (Coulter 2000:21).

Although businesses start in different ways, they share general features. These features are an opportunity focus, a business plan, resource attainment and use, a structure and a motivated team as well as the founder or lead entrepreneur (Rwigema & Venter 2004:25).

2.3.1.1 Reasons for starting

Various reasons are given as motivation for setting up businesses in the modern economy. The latter can range from a lifelong dream of being the boss, the desire to

exercise a personal talent or skill, the need to generate earnings compatible with a particular lifestyle or the attempt to overcome an experience of disadvantage in the educational system or the labour market, such as retrenchment (Sykes 1992:12, Human 1998:83-84, Carter & Jones-Evans 2000:40, Kroon *et al.* 2003:320, Ryan & Hiduke 2003:9, Malherbe 2006:51). The two main reasons are to be one's own boss and to generate money. (Fielden *et al.* 2000:300).

Certain resources are important for the start-up of a business. In general the entrepreneur needs three types of resources which are financial resources, manpower and operational or physical resources. Financial resources comprise basic facilities that can easily be converted into cash, while manpower includes people with the necessary skills and knowledge to contribute to the business success. Physical resources are assets like equipment, raw materials, buildings and operational tools or machinery (Cronjé *et al.* 1990:30, Kushell 1999:114, Cronjé *et al.* 2004:53).

An entrepreneur needs a role model or models as well as a strong support and advisory system in every segment of business (Nieman *et al.* 2003:20). Most entrepreneurs point out that their spouses are their main supporters and allow them to offer the extreme amounts of time necessary to the new business. Role models can also be parents, relatives, friends or other entrepreneurs. This support system is most critical during the start-up period, as it provides information, advice and direction on such matters as business structure, obtaining required financial capital and marketing (Hisrich & Peters 2002:73, Nieman *et al.* 2003:30, Rwigema & Venter 2004:70).

2.3.1.2 Form of business

Traditionally, a fashion business is family owned and operated and starts as a small business. Flexibility in both design and production, which is important to react quickly to market needs, is allowed by the size of such a business (Frings 2005:160). In South Africa, six main business types are distinguished, namely a sole proprietorship, a partnership, a company, a closed corporation, a business trust and a

corporation (Steyn 1998:26).

Sole proprietor is the most popular legal form of small businesses, while partnerships account for only a small percentage of the market (Mariotti 2000:320, Alsbury 2001:7). Furthermore, Alsbury (2001:43) points out that a typical small business start-up is a sole proprietor working from home. It is to the advantage of an entrepreneur working from home, because it is convenient, it reduces travel costs and business overheads and a certain proportion of running costs may be deducted from tax. To get a home business started, the owner needs a computer, fax machine, word processing software and a two-line telephone system (Beech 1997:2-3, 6, Lewis & Dickson 2003:151). Home-based businesses, therefore, need little start-up capital. Some disadvantages, however, can include family matters that can be distracting and disrupting, clients may interfere in the owner's personal time or not even take the business seriously, because it is at home and neighbours may object to having a business near them (Spike 1990:27, Sykes 1992:17, Wolfe 1998:547).

An example in the fashion field of businesses working from home would be a cut-make-and-trim (CMT) business or cottage industry (Wolfe 1998:549, Toffoli 2007:58-59). Fashion related small business opportunities also include fabric stores or mail-order businesses. Freelancing or consultants, especially wedding consultants, are also in demand (Trollip 1995:171, Wolfe 1998:551, Flynn 2005:1). Other freelance fashion entrepreneurs include fashion illustrators who work with newspapers and graphic design businesses, fashion photographers as well as fashion stylists, who work closely with fashion catalogues, magazines and photographers (Jones 2005:209-210).

Partnership is when the business is owned by two or more persons, who are jointly liable for debts, they pay tax on their salaries and their share of profits and no audit is required, while a corporation is a separate legal entity, empowered by the State to run a specific line of business. In a private company, one to fifty shareholders carry the business, the company can be sued and can sue, but the shareholders cannot be sued

because they have limited liability, the company pays tax of 30 percent on profits and 12.5 percent on dividends declared or paid, the shareholders appoint a board of directors in a public company, while shareholders are also directors in a smaller company and an audit is required. A close corporation is carried and managed by one to ten members, the corporation but not the members can sue or be sued, the corporation pays 30 percent tax on profits and 12.5 percent on dividends and an accounting officer's report is required for auditing (Jarnow & Dickerson 1997:9, Steyn 1998:26, Wolfe 1998:50-51, Frings 2005:292-293).

Most countries make use of a quantitative criterion based on the amount of employees, sale volume, asset value and market share to describe a small business. The characteristics of a South African small business are the owner as manager, less than 200 workers, an annual turnover of less than R5 million and capital assets less than R2 million (Cronjé *et al.* 2004:47-48).

2.3.1.3 Business location

Business location plays an important role in the establishment of the business (Nieman *et al.* 2003:135). The amount of competitive businesses already in the neighbourhood will influence the selection of location (Shim & Siegel 2000:14). When locating a new business, the business owner should take into account the regional compatibility with the proposed business and consider the province, a town or city and the premises. The entrepreneur has to determine in which province or area the envisaged business would prosper and regarding the town or city, and he or she has to consider population trends, local laws and regulations, competition, image, police and fire brigade protection, transportation and public services (Popelka, Fanslow & Litrell 1992:243, Steyn 1998:43-45, Granger & Sterling 2003:93-98). These issues are often limited when the business is a home-based business, because such a business is in a residential area (Spike 1990:25, Sykes 1992:57-58). The first step when starting a home-based business is to make sure about the local zoning laws to see which type of business is permitted in the area (Beech 1997:2).

2.3.1.4 Start-up funds

Regarding start-up costs and financing, the entrepreneur must keep in mind the start-up costs necessary to start the business. These costs include furniture and fixtures, machinery and equipment, prepaid expenses, deposits, building renovations and purchase costs as well as working capital. Sufficient working capital should be obtained to cover a minimum of three to six months' payment. Equity financing is financing in exchange for ownership and debt financing must be paid back and includes an interest charge (Lambing & Kuehl 2000:194).

Possible financing options include the entrepreneur's personal resources, which are personal savings, home equity, life insurance policy loan, personal loans including loans from banks, as well as loans from family or friends (Sykes 1992:73, Wolfe 1998:548, Krass 1999:90, Kushell 1999:117-119, Shim & Siegel 2000:10, Yusuf 2001:69, Hisrich & Peters 2002:14, Juul 2002:59). Business capitalists, public offering and business development programmes are further options for funding (Coulter 2000:84-89).

Carter and Jones-Evans (2000:353) point out that small businesses tend to be more reliable on bank loans for financial support, because when they start up and as they grow, they tend to rely on debt. The total of security available, however, restricts the amount to which the business can obtain debt financing (Lambing & Kuehl 2000:198). Most successful entrepreneurs make use of teaming partners for financial backing (Burch 1986:19, Granger & Sterling 2003:1, Cronjé *et al.* 2004:42, Rwigema & Venter 2004:30).

2.3.2 Business functioning

When building an infrastructure, the entrepreneur does not have to do everything alone but can surround himself/herself with a team of advisers such as attorneys or

accountants, who can assist with the technical side of the business (Lee 2000:94-95, Miller 2003:68). These advisors can also include friends, relatives or even an informal support group like business associates or customers who believe in the business (Burns 1999:25, Hisrich & Peters 2002:73).

2.3.2.1 Age of business

Several authors reported about sustainable and profitable fashion businesses after a period of two years (Wolfe 1998:544, Van Doorene 2006:55, Rothbart 2006:65, Oosthuizen 2006:47). Granger and Sterling (2003:12), however, are of the opinion that it takes time to develop a new business. According to them, many entrepreneurs state that their businesses start to provide a good return only after a period of five years (Shirk & Wadia 2002:272, Smith 2004:8).

2.3.2.2 Management

The entrepreneur has limited resources in terms of finance, manpower and time, therefore, it is necessary for the small business owner to plan all activities and their outcomes well in advance (Jain 1998:25). The development of the plans as well as the implementation of these plans are the responsibility of the entrepreneur. The owner must be in charge of the business aspects and must make sure that the business's activities represent the set plans and goals (Granger & Sterling 2003:10-11). An informal management style is normally characteristic of small businesses (Lee 2000:104).

Organising, which is part of business management, is central to a fashion designer's work (Aldrich 2004:186). Effective business management in the apparel industry considers customer requirements and responds with innovative, well designed and executed products (May-Plumlee & Little 2006:53).

2.3.2.3 Financial control

Cost accounting is concerned with ascertaining, controlling and reducing costs. Cost means the amount of expenditure incurred on a product or service and the elements of cost include material, labour and expenses, which involve direct and indirect costs. Costs can be classified as fixed costs, variable costs and semi-variable costs (Spike 1990:51-52, Jain 1998:214, Mariotti 2000:320-321, Miller 2003:76). Fashion entrepreneurs must never underestimate the value of their time. It is important to set realistic prices that cover costs and make a profit as well. Factors affecting price are urban or rural location, city size, local economy, local competition, sewing skills, experience and speed. In order to determine the price for a sewing product, the fashion entrepreneur has to add the direct costs, salary and overhead expenses together. When specialising, greater profit can be generated because the fashion designer or entrepreneur becomes an expert in one area of dress (Spike 1990:48, 52, 59, Sykes 1992:116-119).

Financial accounting means a systematic record keeping of the business transactions (Miller 2003:69). Easy but accurate financial records and a simple bookkeeping system is the key to financial control. It is worthwhile for the entrepreneur to consult an accountant or tax specialist for assistance in setting up a record keeping system (Sykes 1992:131-132, Van Gijsen 2007:12, Wasserman 2007:4). Bookkeeping is one of the many functions of financial accounting, which includes keeping separate records for recording details of various transactions like sales, purchases, assets, liabilities and tax preparation (Spike 1990:37, Nieman *et al.* 2003:142). Market survey is imperative when selecting a bank in order to find a bank with the best deal (Spike 1990:68-69).

In South Africa, the annual turnover of small businesses can vary from R1 million to R5 million with capital assets of R1 million but less than R2 million (Moolman 1998:28, Cronjé *et al.* 2004:48).

2.3.2.4 Employees

The average employment figures for small businesses in the United Kingdom are three full time employees and three on part-time contracts (Alsbury 2001:7). In most European countries, small businesses have an employment rate of zero to 49 employees (Carter & Jones-Evans 2000:25, Hisrich & Peters 2002:14). South African small businesses generally have less than 100 employees in full-time service, which mostly varies between five and 50 people (Van Rooyen 1997:67, Steyn 1998:25-26, Smith 2004:8). In order to keep money within the family and gain some tax benefits as well, the most logical decision for an entrepreneur is to hire family members as employees (Spike 1990:76).

2.3.2.5 Production

Achieving production excellence to meet customers' requirements, the entrepreneur needs to focus on diverse aspects of world-class manufacturing. This will include delivery reliability, price, time flexibility and awareness of problems within the business. New production principles, which include competitive pricing, on-time delivery, low raw material levels, lean manufacturing and high quality, become a key part of the manufacturing process of the business (Choice 2007:61). The aspects of quality are quality of design and performance and quality management provides a systematic method to ensure customer satisfaction (Jain 1998:197, Lewis & Dickson 2003:157, Nieman *et al.* 2003:140, Saiki & DeLong 2006:266).

Fashion design is applied design, meaning that the basic elements and principles of art and design are applied to apparel. The interaction of these design elements and principles, material properties, adaptation and modification of design inspiration is complex, which makes creative fashion design as process and product more problematic than other design industries (Mete 2006:278-279). The production or manufacturing process begins with the buying of raw materials and includes all the steps involved to create the products required by clients (Nieman *et al.* 2003:140).

For a fashion designer or entrepreneur these production steps include the revision of fashion trend forecasts and market shopping or research to know what is in fashion, which is important for design or product development (May-Plumlee & Little 2006:57, Mete 2006:279). The apparel development process further involves the selection of fabric, style and colour, taking measurements of the client's figure, drafting of the pattern, preparing the fabric, cutting the garment and lastly fitting and completing the garment (Spike 1990: 90-94).

The operation and production plan describes how products or services are manufactured or provided (Kirby 2003:247, Mete 2006:279). Production activities require resources, which include materials, processes, labour, equipment and systems. Production systems are crucial and they must be as efficient and effective as possible, because good systems will save time and money. New technological advances improve apparel production methods (Sykes 1992:123). Sewing machines are now capable of sewing more stitches per minute. Cutting techniques, as well as weaving techniques have been developed to save both time and money. These improvements ensure the production of a greater variety of cheaper fashion goods (Mueller & Smiley 1995:22). Wolfe (1998:552) indicates that home sewing fashion businesses deal with non-industrial sewing machines, pressing equipment, hand sewing tools and patterns.

2.3.2.6 Marketing

The overall goal of marketing is to satisfy customer needs, keeping in mind that the client is the reason for having a business, while making a profit for the seller. A fashion entrepreneur should, therefore, be alert to new market opportunities through market research (Mueller & Smiley 1995:9, White & Griffiths 2000:98). If the entrepreneur can continuously satisfy the needs of the consumer in a way that is profitable, the business will be sustainable (Engelbrecht 2007:57). Two main components of a market are the population together with their purchasing power (Terblanché 1998:190). The marketing process includes the identification of

customers, the determination of their needs and wants and the production of new and satisfying products at acceptable prices (Sykes 1992:145, Costantino 1998:20, Wolfe 1998:53, Kuratko & Hodges 2004:257). Marketing must attend to the product, price, promotion and place, therefore, marketing gives the consumer information about products through advertising and publicity (Costantino 1998:20). Marketing options for selling the product or service include the use of a direct sales force, using agents, selling products at trade shows, advertising in the media, using flyers and handbills, using direct mail and telemarketing (Kushell 1999:172, Kaplan 2003:65). By marketing their designs, fashion entrepreneurs or designers can showcase their collections for the fashion press through fashion shows (Steyn 1998:18-19, Wolfe 1998:439, White & Griffiths 2000:102).

The impact of technology on fashion marketing through communication is huge and can be classified as business communication, communication with consumers, information technology, merchandise information systems and electronic data interchange. To make business communication easier, computers, the intra- and internet, video visuals and a facsimile can send a fashion sketch or list of specifications around the world in seconds, while television, the telephone, websites and e-commerce can bring fashion from around the world into our homes instantly (Burns & Bryant 1997:236-239, Kushell 1999:176-179, Kuratko & Hodges 2004:257, Frings 2005:42-43, Mete 2006:283). A major event for South Africa's new talents in the small fashion business is cable network news (CNN) coverage of the South African fashion week together with London's fashion week for the British networks. During the South African Fashion Week young up-coming fashion designers feature with the national up-market fashion entrepreneurs (Gordon 2003:3).

Although small businesses mainly advertise their products and services by word of mouth, media advertising is often an entrepreneur's first choice. Media advertising includes television, radio and direct marketing or newspaper advertisements and magazines (Wolfe 1998:379, 389, 394, 468-470, Lambing & Kuehl 2000:167, White

& Griffiths 2000:102). A referral or word of mouth advertisement is free advertising, where no effort whatsoever is necessary (Shirk & Wadia 2002:263). Business cards can be used for word of mouth advertising as well as for appointments with clients, which is the best and cheapest exposure of the business. Business cards legalise the validity of even a brand-new business (Sykes 1992:67-69). Another brilliant image maker for a fashion designer is a sewn-in fabric label and/or a swing tag for the garments or items which he or she creates (Spike 1990:34, 36). Small business owners often use regional or local newspapers for reaching their targeted customers. However, entrepreneurs must remember that the cost of producing a professional advertisement and buying advertising space can be costly (Kaplan 2003:67).

2.3.3 Technological influences

Different stages of technological advancement include mechanisation, which is the process of the replacement of human labour with machines and automation, which is an operation without external influence or control. This stage is popular in manufacturing, because it eliminates the potential for human error and automated equipment is cost-effective. Robotics are the most advanced form of automation. Robots are computerized, reprogrammable and multifunctional used to move or shift materials, parts, tools or specialized devices for manufacturing purposes (Glock & Kunz 1995:408).

Some areas in which the rapid advances of today's technology affect the fashion entrepreneurial industry are raw materials from which fashion merchandise is produced, manufacturing methods used for these products, delivery speed of fashion goods and the way information regarding the performance of these products is managed (Mueller & Smiley 1995:22, Jarnow & Dickerson 1997:7, 16, Granger & Sterling 2003:61, Nayager & Van Vuuren 2005:29). Technological innovation in textiles offers new fibres and finishes, which confers improved comfort and practicality that allows a wider variety of new and better products regarding appearance and performance as well as new manufacturing and distributing methods

and techniques. Technical possibilities of materials like the development of elastic fabrics such as Lycra, which stimulates fashion designers to create body-hugging silhouettes, is a good example of these technological innovations (Wolfe 1998:41, White & Griffiths 2000:99, Mete 2006:283).

Technological equipment or tools required in a fashion business include sewing equipment, sometimes consisting of computerized sewing machines and industrial power sewing machines. These machines are faster and stronger for the long hours they will be in use. The sewing quality of production when using power sewing machines is better than with commercial or home sewing machines because the power sewing machine has a stronger stitch. Other tools needed are pressing equipment, which includes an industrial iron and ironing board and a press. A commercial rotary cutting machine is necessary when cutting more than four layers of fabric. These types of equipment, being more effective and timesaving, will dramatically affect profits (Spike 1990:22, 105-115, Lewis & Dickson 2003:151-152).

A new era was born with the invention of computers, which allowed business people world-wide to communicate electronically. This information age occurs at a tremendous speed and with tremendous force, which implies higher productivity (Cronjé *et al.* 1990:50-51, Kuratko & Hodgetts 2004:13, Waweru, Hoque & Uliana 2004:693). Small businesses cannot afford to disregard technological developments, in particular general computer technology and information technology. Therefore, entrepreneurs make use of the opportunities to create value for their clients and to establish a competitive advantage for their businesses (Spike 1990:76, Lamb, Hair, McDaniel, Boshoff & Terblanche 2004:57). Computerised production or service allows entrepreneurs to manufacture better products at the same price or reduced costs as well as minimises labour inputs, which lend a competitive edge (Sykes 1992:69-72, Terblanché 1998:176, Rwigema & Venter 2004:30, Thurik & Wennekers 2004:141).

Telephones, fax machines and the cell phone were not adopted as quickly as the Internet, which is currently the central component of the information age (Burns 1999:15, Cronjé *et al.* 2000:57-59, Granger & Sterling 2003:120, Aldrich 2004:184, Rwigema & Venter 2004:9). The Internet can benefit both entrepreneurs and their businesses in particular, because it is fast, focused and flexible (Lamb *et al.* 2004:58). Furthermore, the Internet includes facilities for some conventional business tasks such as customer service and support, technical support, the selling of products or services and provision of advice or information (Evans & Volery 2001:336, Kuratko & Hodgetts 2004:13, Timmons & Spinelli 2004:182). This powerful medium is providing the business development services needed by entrepreneurs (Jurvetson 2000:124, Evans & Volery 2001:334). Simply by developing a website, small businesses adopt modern technology and can compete with established businesses because the low cost of information distribution on the Internet makes it possible to serve new market segments (Kirby 2003:70). The Internet creates unlimited opportunities for fashion entrepreneurs with limited resources, like access to the Internet Fashion Mall and to leading fashion houses, magazines and stores. It can also link the fashion entrepreneur with fabric and trimming suppliers, garment manufacturers and retailers, many of which are international (Kaplan 2003:4, Timmons 2004:186, Aldrich 2004:184). These authors further mention that this information can be constantly updated and everybody can be informed about certain modifications instantly. The Internet users of today including customers, retailers, manufacturers and suppliers are computer literate, with increasing expectations for E-commerce as the new wave in transacting business (Kuratko & Hodgetts 2004:13).

According to Aldrich (2004:184) as well as Jones (2005:56), only large companies could afford to use CAD/CAM to the full process from design to manufacturing when it was first established because it was very expensive. Currently computers and their associated scanners and printers as well as some software programmes are relatively cheap, therefore, small fashion businesses and even freelance fashion designers can also benefit from particular elements, depending on their needs and budget. Now that computer technology and the development of modern production

machinery, such as power sewing machines and cutting tools as well as body scanning technology has established itself in all areas of the fashion industry, the fashion entrepreneur is facing ever-increasing pressure to make use of at least some degree of computerization (Wolfe 1998:128, Aldrich 2004:184, Frings 2005:45,209-210).

2.4 SUMMARY

The literature review emphasises the significance of small businesses and their owners world-wide, especially in developing countries such as South Africa where job creation and the offering of essential products and services play a critical role in solving the problem of unemployment and poverty. The entrepreneur or business owner is a passionate, innovative and success driven individual who attempts to initiate and establish a profitable and successful business which will benefit society. The importance of demographic factors, entrepreneurial background, certain attitudes and behaviours as well as experience, skills and knowledge that they possess and require is emphasised, particularly with reference to fashion business owners. Although businesses start in various ways and function differently, they share general features. These features include an opportunity focus, a business plan, resource attainment and use, a business structure as well as the founder or lead entrepreneur. A new technological era was born with the invention of computers, which allows business people world-wide to communicate electronically. The Internet can benefit both fashion business owners and their businesses in particular, because it is fast, focused and flexible.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

The previous chapter gives an overview of literature relevant to this research project. Both the research framework as well as the objectives determined the selection of relevant literature as discussed. The research framework embraces two main sections, namely the small fashion business owner and the business. The framework was designed firstly to enable the researcher to investigate demographic information, business background and personal attributes, as well as specific skills and knowledge which they possess and which they lack. The second section of the research framework was aimed at investigating the starting up and functioning of the business and the technological environment in which it functions.

The primary aim of Chapter 3 is to describe the procedures and methods used in this empirical study. The investigation can be classified as quantitative, descriptive and explorative in nature. The quantitative research method was chosen because it is an economical and practical way of assessing respondents' opinions by means of a structured questionnaire. The broad research goal of this exploratory study was to investigate fashion business owners and their businesses in the Vaal Region. The specific aim and objectives for the empirical part of the study are given in Chapter 1, paragraph 1.3.

The study was conducted in several phases, including a literature search, development of a measuring instrument, sample selection, administration of the questionnaire and data gathering, as well as processing and statistical analysis of the data.

3.2 LITERATURE STUDY

A literature study was conducted with the purpose of giving an overview of personal characteristics of business owners and the start-up and functioning of their businesses. Guidelines for conducting a review of the literature as suggested by Fouché and Delport (2002:129-131) were followed, including the delineation of the theme by a structured framework, the reading of several introductory texts books and research articles such as Van Aardt & Kroon (1999), Hisrich & Peters (2002), Kroon (2002), Kuratko & Hodgetts (2004), Rwigema & Venter (2004), and Timmons & Spinelli (2004), a methodical selection of relevant journal articles, an overview of relevant dissertations and theses, a thorough literature search on various databases available at the university library, selection and sifting of the sources, and establishment of a logical filing system through which the bibliography could be stored systematically.

3.3 STUDY POPULATION AND SAMPLE SELECTION

The study population was fashion business owners in the Vaal Region. A convenience sample incorporating fashion business owners that had been in operation for two years or longer was used. According to several authors (Oosthuizen 2006:47, Rothbart 2006:65, Van Doorene 2006:55) a business that had been in operation for more than two years can be deemed sustainable and successful. The snowball method, which is one of four types of non-probability sampling, was used as described by Babbie (2007:184-185). The snowball method entails the initial identification of a number of known respondents and obtaining their consent to participate in the study. These respondents are then asked to name additional respondents who qualify for participation in the study. For the purpose of this study, fashion business owners in the Vaal Region were identified and contacted to find out whether they were willing to participate in the study, upon which those that were willing, were interviewed and each person interviewed was asked to suggest additional people for interviewing. In this way more fashion business owners could be contacted to find out whether they were willing to participate in the study,

consequently participation was completely voluntary. Eventually, 140 fashion entrepreneurs of all ages and various population groups, male as well as female, were willing to participate, but only 100 completed and returned the questionnaires. The distribution and administration of the questionnaire is discussed in paragraph 3.6.

3.4 DEVELOPMENT OF THE QUESTIONNAIRE

A self-administered structured questionnaire (Annexure A) was compiled and used to gather the information. It is crucial to have a thorough knowledge of the content domain which is being investigated when a structured questionnaire is to be used, as an attempt to achieve content validity in the instrument is then possible. Murphy and Davidshofer (2001:148-149) point out that content validity can be ensured when the variables investigated by the measuring instrument are representative of the research area. Furthermore, it is important to determine and honour the borders of the content domain to make sure that all the test items are content valid. The content domain was established by studying the literature in this study field, such as written by Carter & Jones-Evans (2000:14-30), Dees *et al.* (2002:301-304), Kirby (2003:108-114), Nieman *et al.* (2003:16-20), Timmons & Spinelli (2004:249-253) and Ashton (2006:181-194).

The process of questionnaire development as suggested by Murphy and Davidshofer (2001:215) was followed. The first stage involved item writing, while the second stage comprised standardisation of the measuring instrument. The questionnaire or series of questions was comprehensive of all the evaluative criteria that were encountered in the literature. The questionnaire consisted of different sections and was compiled in accordance with the study objectives and the research framework discussed in Chapter 1 (Fig. 1).

Section 1 consisted of questions or statements investigating demographic information and entrepreneurial background. Sub-sections dealt with demographic factors such as gender, age, marital status, children, level of education and formal business training; entrepreneurial background aspects namely birth order,

entrepreneurial parents, socio-economic status and business exposure during childhood; and fashion entrepreneurial aspects namely specific skills and knowledge as well as the lack of skills and knowledge due to insufficient training.

Section 2 investigated the extent to which selected entrepreneurial attributes identified by Timmons & Spinelli (2004:249-256), namely commitment and determination, leadership, customer service, tolerance of risk, ambiguity and uncertainty, creativity, self-reliance and the ability to adapt and motivation to excel were perceived to be possessed by the respondents. The constructs in sections one and two were operationalised in line with guidelines given by Babbie (2007:44). The author postulates that an operational definition provides the process involved in measuring a variable and specifies the concrete and specific description of a concept. For this study, descriptions of the above mentioned variables were obtained from authoritative literature on the various topics. Categories and subsets of evaluative criteria applicable to the entrepreneur, which were used in the questionnaire, are displayed in Table 1.

TABLE 1 CATEGORIES AND SUBSETS OF EVALUATIVE CRITERIA

CATEGORY	SUBSET	NUMBER OF QUESTIONS	TOTAL PER CATEGORY
Demographics			
Gender	Male/Female	2	
Age	18 – 55 ⁺	5	
Marital status	Five various situations	5	
Children	0-19 ⁺ years	4	
Educational level	Six sub-categories	6	
Formal business training	Type and duration	2	24
Background			
Birth order	Four sub-categories	4	
Entrepreneurial parents	One/Both	2	
Socio-economic status	Three income groups	3	
Business exposure	Three sub-categories	3	12

Specific Skills	Manual design CAD Manufacturing Marketing Communication Technology: computers Technology: equipment Business management Financial management International orientation National product distribution Other	12	12
Specific Knowledge	Of competitors Bookkeeping systems Expert knowledge Legal aspects Materials used Labour aspects Equipment Other	8	8
Lack of skills & knowledge	Skills Knowledge	2	2
Attributes Commitment & Determination	Decisive, able to commit quickly Disciplined Persistence in solving problems Willing to make sacrifices Engagement	5	
Leadership	A self-starter, takes initiative Team builder, inspire others Treat others well Share wealth with others Integrity, reliable, trust, fairness Work well in a team Superior learner and teacher Patient Urgent Supportive versus competitive	10	
Customer service	Intimate customers knowledge Market driven Value creation and enhancement	3	

Tolerance of risk, ambiguity & uncertainty	A calculate risk taker A risk sharer Manage paradoxes Tolerate uncertainty Tolerate stress & conflict Problems solving	6	
Creativity, self-reliance & ability to adapt	Non-conventional, open minded & a lateral thinker Comfortable with change Ability to adapt Quick learner No fear of failure Can visualise details	6	
Motivation to excel	Goal-and-result oriented Drive to achieve & grow Low need for status & power Aware of own weaknesses & strengths Has perspective & sense of humour	5	35

Section 3 investigated the start-up and functioning of the business.

Section 4 was compiled to gather information on the equipment and computer technology used.

Criteria for selection of questions were:

- Applicability of the items for evaluation of various aspects pertaining to the modus operandi of fashion business owners and their businesses in the Vaal Region.
- Applicability of the questions to the study population.

The respondents had to reply on a four-point Likert-type scale varying from four to one (4 = very true/very important/high, 3 = quite true/important/medium, 2 = somewhat true/less important/low, 1 = not true at all/not important/very low).

The questionnaire was not translated into other languages as all the respondents could read and understand English well.

3.5 PILOT TESTING OF THE QUESTIONNAIRE

A pilot study to test the questionnaire for clarity and viability was conducted in April 2006. The primary aims of the pilot study were to identify any potential problems and to make sure that respondents could understand the questions and whether the time allocated for completing the questionnaire was adequate. The questionnaire was pre-tested under the same conditions as the main research. Ten owners of small fashion businesses not participating in the final study were requested to fill in the questionnaire. Respondents were asked to comment on any problems experienced or unclear terminology they encountered by making notes on the questionnaire. The researcher coordinated the completion of the questionnaires by appointment.

After the pre-test, alterations based on feedback from these respondents were made in order to make the questionnaire clearer to the respondents. Several questions were not structured to the respondents' satisfaction and were changed slightly. The name of one of the categories was also changed, namely from *Opportunity obsession* to *Customer delivery*.

3.6 QUESTIONNAIRE ADMINISTRATION AND DATA GATHERING

The willing respondents were personally and individually contacted by the researcher and a verbal agreement to participate in the study was obtained from each person. The purpose of the study was explained to these respondents before handing out the questionnaires. Appointments were scheduled with the willing respondents for distribution of the questionnaires, which for this study were delivered by hand, by

which much time was saved and the response rates were fairly high due to the personal contact and the fact that respondents could fill in the questionnaire at their own convenient time, as proposed by Delport (2002:174). Collection after completion was also done by hand after an appointment was made. One hundred and forty questionnaires were handed out and one hundred were received back. Consequently, the response rate was 71.4 percent. Babbie (2007:262) declares that response rate is one method of gauging representativeness of the sample and he is of the opinion that a response rate of 60 percent is good while 70 percent is very good.

3.7 DATA PROCESSING AND STATISTICAL ANALYSIS

After the questionnaires were filled in, the data was edited and the researcher tried to clarify obscurities and identify possible errors in the completion of the questionnaires. Raw data were checked and mistakes were corrected before data analysis commenced. The data were entered on the computer by experienced people in data fixation.

Statistical analyses were performed by the Department of Statistical Services of the North-West University with the use of the SAS statistical package (SAS Institute Inc. The SAS System for Windows Release 9.1 TS Level 1M0). All the analyses were done in consultation with the head statistician, Prof HS Steyn, who also performed the processing of the data. The following computations were done:

- Frequency analyses for all the sections of the questionnaire. Raw scores, means and standard deviations were given where applicable.
- The validity of the questionnaire regarding entrepreneurial attributes (section two of the questionnaire) was investigated by:
 - Construct validity, using confirmatory factor analysis
 - Content validity
- The reliability testing of the questionnaire regarding entrepreneurial attributes was investigated by computing alpha coefficients.

3.8 ETHICAL CONSIDERATIONS OF THE STUDY

Ethical considerations comprised treating of the respondents with respect, dignity and courtesy. Consent to participate in the study was obtained from each respondent, they were informed as to the nature and purpose of the study and participation was voluntary and anonymous. They were not inconvenienced by requiring them to travel to a venue to complete the questionnaire, and could complete the task at a time which suited them.

3.9 SUMMARY

The aim and objectives of the study were used by the researcher as point of departure to plan the empirical study. Scientific research methods and appropriate statistical analyses of the data were considered in designing this study. Sample selection, compiling and testing the measuring instrument, as well as data gathering were done with caution and expert advice on how to investigate these aspects was sought from the Department of Statistical Services of the North-West University.

The broad research goal was to investigate fashion business owners and their businesses in the Vaal Region. Frequency analyses of the data rendered the required answers. Objectives included compilation of an integrated perspective of small fashion business owners and their businesses and demographic information, entrepreneurial background and personal characteristics of the fashion entrepreneur as well as information on the start-up of the fashion business and its functioning played a role in this. Focusing on the success of fashion entrepreneurs in the Vaal Region, this study also aimed to develop guidelines for education and training of existing as well as potential fashion entrepreneurs in the Vaal Region, based on the above perspectives. Section two of the measuring instrument was tested for validity and reliability. A detailed discussion of the results of the study as well as the interpretation of the findings will be given in Chapter 4.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 INTRODUCTION

The purpose of the study was to acquire an integrated perspective on fashion entrepreneurs and their businesses. The specific objectives are given in Chapter 1. A structured questionnaire was compiled in correlation with the research framework (Figure 1) and distributed among the study population of male and female fashion entrepreneurs in the Vaal Region as described in Chapter 3. The snowball method of sampling as described in paragraph 3.3 was used and this sample incorporated 100 small fashion business owners that have been operating for two years or longer.

In chapter 4, the results of the study will be presented. Regarding the entrepreneurs, their demographic characteristics, background, attributes and skills will be discussed. With regard to their entrepreneurial businesses, the start-up, functioning, specific knowledge required and technological influences will be surveyed. The findings will be compared to research findings reported in the literature as discussed in Chapter 2. The validity and reliability of the measuring instrument will be investigated. Relationships between selected variables will be given and discussed.

4.2 THE ENTREPRENEUR

Aspects of the fashion entrepreneur relevant to this study are depicted in the research framework (Figure 1) which was developed in accordance with the study objectives. Aspects that will be discussed here are demographics, entrepreneurial background, attributes and specific knowledge and skills required by the entrepreneur.

4.2.1 Demographic characteristics of sample

The demographic characteristics of the respondents in this study are displayed in Table 2 and 3.

TABLE 2 DEMOGRAPHIC CHARACTERISTICS

DEMOGRAPHIC CHARACTERISTICS	FREQUENCY	% DISTRIBUTION
GENDER (N = 100)		
Male	18	18.00
Female	82	82.00
AGE (N = 100)		
18 – 25	6	6.00
26 – 35	25	25.00
36 – 45	23	23.00
46 – 55	22	22.00
55 +	24	24.00
MARITAL STATUS (N = 100)		
Never married	14	14.00
Married	73	73.00
Divorced	8	8.00
Widow/Widower	4	4.00
Living together	1	1.00
CHILDREN IN VARIOUS AGE GROUPS (N = 100)		
0 – 6 YEARS		
No children	14	14.00
1 child	16	16.00
2 children	4	4.00
7 – 13 YEARS		
1 child	17	17.00
2 children	6	6.00
14 – 18 YEARS		
1 child	15	15.00
2 children	2	2.00
19 + YEARS		
1 child	11	11.00
2 children	16	16.00
3 children	13	13.00
4 children	4	4.00
6 children	1	1.00
7 children	1	1.00

HIGHEST EDUCATION LEVEL (N = 100)		
Lower than grade 12	5	5.00
Grade 12	22	22.00
Certificate	6	6.00
Diploma	40	40.00
Degree	20	20.00
Other	7	7.00

In the literature, considerable mention is made of the role of gender in entrepreneurial businesses (Kirby 2003:38, Kuratko & Welsch 2004:4, Timmons & Spinelli 2004:256-258, Bygrave & Zacharakis 2008:24). Table 2 portrays that, in this sample of fashion entrepreneurs in the Vaal Region, 82 percent of the respondents were females. Traditionally, there are more male than female entrepreneurs worldwide, but there are indications that the situation is changing rapidly. The number of self-employed women increased more than twice the amount of self-employed men in the United States of America and Britain in the past thirty years. Especially in the service sectors, which have been the main growth sectors for new and small businesses (Kirby 2003:38, Kuratko & Welsch 2004:4, Timmons & Spinelli 2004:256&258).

Age plays a pertinent role in the entrepreneurial world, as discussed by Hisrich and Peters (2002:72) and Carter and Jones-Evans (2000:15-16). The age distribution of these respondents was quite balanced, as nearly a quarter fell in each of the age groups of 26 – 35, 36 – 45, 46 – 55 and 55⁺. Only six percent were younger than 25 years of age. In the literature it is pointed out that each age group has certain advantages. A younger age profile can be perceived as from 1980. Today, nearly 80 percent of potential entrepreneurs in the United States are between the ages of 18 and 34 (Kushell 1999:23, Kuratko & Hodgetts 2004:112, Timmons & Spinelli 2004:260, Bygrave & Zacharakis 2008:23).

Regarding the middle-age group, Hisrich and Peters (2002:72) explain that entrepreneurs in their middle age would be able to afford the start-up costs of a new business and as some people in this age group might be ready for a new career due to

various reasons, it is quite possible that middle-aged new-comers in this business might be encountered. Kirby (2003:30) points out that a survey among the most successful British entrepreneurs showed that their average age was 45. Family commitments and other social factors are some reasons for that as well. Exceptions to the general rule are also some teenagers who start their own businesses as well as older people who are 50 to 60 years of age (Longenecker *et al.* 2000:19).

Of these respondents, nearly three-quarters (73.00%) were married and 14 percent were never married. Relatively few were divorced or a widow or widower, while only one percent was living together with another person. According to Kirby (2003:39), self-employment is less expected for single or never married people. He further points out that marital status provides the necessary support to entrepreneurs in the establishment of new businesses and that spouses are often partners in such businesses.

Most of the respondents (40.00%) have one to three children aged older than 19 years, so these entrepreneurs mostly have older children, which corresponds with findings by Van Aardt and Kroon (1999:8). Nearly a quarter (23.00%) had one to two children in the age group seven to thirteen years, while a fifth had children between zero and six years and 17 percent had children aged 14 – 18 years. According to Carter and Jones-Evans (2000:17), one can expect that self-employed women will have dependent children. Schindehutte *et al.* (2003:94) report that the majority of the large number of women who are starting their own businesses in the United States of America have children.

The qualifications of these entrepreneurs were investigated and the outcome showed that the biggest group (40.00%) had obtained a diploma, followed by nearly equally large groups that had only Grade 12 (22.00%) and that had a degree (20.00%). Six percent had obtained a certificate, while only five percent did not have Grade 12. Other qualifications mentioned in the open-ended question were an honours degree. As the majority of these entrepreneurs (66.00%) had tertiary qualifications, it can be assumed that they were reasonably well prepared for the entrepreneurial role, although a third had no tertiary qualification.

Hisrich and Peters (2002: 13, 70) point out that research findings confirm the importance of education in the upbringing of the entrepreneur and help in coping with problems which the entrepreneur might encounter. Nieman *et al.* (2003:12, 29) postulate that tertiary education can be valuable in that entrepreneurship can be learned by education and that higher levels of education are linked to considerably higher levels of entrepreneurial activity. Rwigema and Venter (2004:69) agree that a firm educational background can enhance natural talent, while many other authors and researchers in the area of entrepreneurship (Granger & Sterling 2003:2, Kaplan 2003:15, Kirby 2003:40, Kroon *et al.* 2003:319, Timmons & Spinelli 2004:256-257, Bygrave & Zacharakis 2008:25) emphasise the value and importance of education in the development of skills, opportunities to deal with change, level of entrepreneurial activity and ability to accept challenges.

The last part of the demographic information regarding the nature and duration of formal business training, which the respondents might have had, is displayed in Table 3.

TABLE 3 NATURE AND DURATION OF FORMAL BUSINESS TRAINING
(N = 100)

NATURE OF TRAINING	n	%	6 MONTHS		12 MONTHS		18 MONTHS		24 MONTHS		36 MONTHS	
Business management	14	14.00	8	8.00	2	2.00	1	1.00	1	1.00	2	2.00
Food service management	1	1.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.00
Hairdressing diploma	1	1.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.00
Fashion design certificate	1	1.00	0	0.00	0	0.00	1	1.00	0	0.00	0	0.00
Education diploma	1	1.00	0	0.00	0	0.00	0	0.00	0	0.00	1	1.00
Marketing	1	1.00	1	1.00	0	0.00	0	0.00	0	0.00	0	0.00
Business start-up training	1	1.00	1	1.00	0	0.00	0	0.00	0	0.00	0	0.00
None	80	80.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00

Table 3 reveals that relatively few of these respondents (20.00%) had some formal type of business training. Fourteen percent had business management training, of which eight percent had it only for six months, two percent had a 12-month training and one percent had an 18-month and 24-month training respectively. Only two percent had a three-year training in business management. Each of the other types of business training mentioned by the respondents in Table 3 was acquired by only one percent of the entrepreneurs.

According to Rwigema and Venter (2004:69), business education forms a sturdy background from which entrepreneurial instincts can be developed and correct directions can be obtained. There is also evidence in the literature, however, that business training is not indispensable in being a successful entrepreneur. De Villiers (2003:18) points out that Giorgio Armani had no formal fashion training and yet his success as fashion designer knows no boundaries. Wandile and Sechaba are also two successful fashion designers from Soweto who did not have any fashion training but who seem to instinctively be able to choose the right colours, cut and fabric when creating fashion pieces (Gordon 2003:1).

4.2.2 Entrepreneurial background

The role which the family plays in providing concrete as well as elusive support towards positive entrepreneurial behaviour seems to be crucial (Carter & Jones-Evans 2000:113). Childhood and family environment are the two main factors included in the literature discussions on the role of entrepreneurial background in the success of the entrepreneurial business (Van Aardt & Kroon 1999:4).

These respondents' entrepreneurial background was investigated by questions on their birth order, exposure to entrepreneurial activities during childhood, entrepreneurial parents and income group during childhood. Table 4 depicts the responses to these questions.

TABLE 4 ENTREPRENEURIAL BACKGROUND

BACKGROUND CHARACTERISTICS	FREQUENCY	% DISTRIBUTION
BIRTH ORDER (N = 100)		
Only child	4	4.00
Youngest child	27	27.00
Middle child	37	37.00
Oldest child	32	32.00
ENTREPRENEURIAL PARENTS (N = 100)		
Yes	44	44.00
No	56	56.00
INCOME GROUP DURING CHILDHOOD (N = 100)		
High	9	9.00
Middle	76	76.00
Low	15	15.00
BUSINESS EXPOSURE DURING CHILDHOOD (N = 100)		
None	30	30.00
Own venture	56	56.00
Instigated by school	14	14.00

As shown in Table 4, the biggest group of these entrepreneurs (37.00%) were middle children, followed by 32 percent who were oldest children and 27 percent who were youngest children. It is postulated in the literature that birth order may play a role in the tendency to become an entrepreneur. Hisrich and Peters (2002:32, 69) point out that, although entrepreneurs come from different birth orders, being the oldest child seems to occur more frequently, explained by the fact that the older child receives special attention and, therefore, develops more self-confidence. Rice (1992:257) explains that first-borns have a higher self-esteem and consequently more self-confidence. Rwigema and Venter (2004:69) confirm that empirical research is still needed to confirm this.

Responses to the question whether these entrepreneurs had entrepreneurial parents, showed that 44 percent did have entrepreneurial parents. Hisrich and Peters (2002:69) provide strong substantiation that entrepreneurial parents deliver an

unusually large proportion of entrepreneurial children. Rwigema and Venter (2004:69) remark that this is probably the case in South Africa as well. Popelka *et al.* (1992:242), also found in a study among weavers in Mexico, that these entrepreneurs often had weaving fathers.

Several researchers (Rice 1992:256, Van Aardt & Kroon, 1999:7, Hisrich & Peters 2002:69, Rwigema & Venter 2004:69) found that a higher socio-economic status of parents is encouraging for entrepreneurial activity for several reasons, one being that it gives rise to a higher self-esteem. In this study only one component of socio-economic status, namely income of parents, was investigated. About three quarters (76.00%) of the respondents were of the opinion that their parents fell in the middle income group, while only nine percent were convinced that they stem from a high income group of parents.

Regarding business exposure during childhood, the majority (56.00%) had had an own business at home, while 14 percent had businesses which were instigated by the school. Only 30 percent had no business experience during childhood. According to Nieman *et al.* (2003:29), South Africa has a low entrepreneurial capacity, mainly due to a lack of entrepreneurial experience amongst most of the population. Saiki and DeLong (2006:276) found that many fashion entrepreneurs did not plan to get involved in a fashion entrepreneurial career, but had backgrounds which led to becoming entrepreneurs in this field. It is also emphasised in the literature that children are exposed to ideas of creative products and technological innovations on the web from a very young age and, therefore, they develop an entrepreneurial culture long before they make career choices (Siropolis 1990:48, Burns 1999:18, Carter & Jones-Evans 2000:113).

4.2.3 Entrepreneurial attributes

The literature focuses on six desirable attributes for entrepreneurs of small businesses (Dees *et al.* 2002:301-304, Timmons & Spinelli 2004:249-256). These six attributes

were investigated amongst the fashion entrepreneurs in the Vaal Region and are depicted in Table 5.

TABLE 5 ENTREPRENEURIAL ATTRIBUTES

SELECTED ATTRIBUTES & BEHAVIOURS		Very true	Quite true	Somewhat true	Not true at all	Positive	Negative	Mean Score	Standard Dev	Ranking Order
		4	3	2	1	4+3	2+1			
		n	n	n	n	n	n			
		%	%	%	%	%	%			
COMMITMENT & DETERMINATION	N									
13. Decisive/Commit quickly	100	54 54.00	35 35.00	9 9.00	2 2.00	89 89.00	11 11.00	3.41	0.74	18
14. Disciplined	100	66 66.00	25 25.00	7 7.00	2 2.00	91 91.00	9 9.00	3.55	0.72	7
15. Problem solving	100	52 52.00	42 42.00	5 5.00	1 1.00	94 94.00	6 6.00	3.45	0.64	14
16. Personal sacrifices	99	64 64.65	29 29.29	6 6.06	- -	93 93.94	6 6.06	3.59	0.61	6
17. Engagement	100	57 57.00	32 32.00	7 7.00	4 4.00	89 89.00	11 11.00	3.42	0.79	16
LEADERSHIP	N									
18. Self-starter/Takes initiative	100	70 70.00	23 23.00	6 6.00	1 1.00	93 93.00	7 7.00	3.62	0.65	3
19. Team builder/Inspire others	100	53 53.00	33 33.00	13 13.00	1 1.00	86 86.00	14 14.00	3.38	0.75	19
20. Practice fairness	100	80 80.00	16 16.00	4 4.00	- -	96 96.00	4 4.00	3.76	0.51	1
21. Wealth sharer	100	52 52.00	40 40.00	8 8.00	- -	92 92.00	8 8.00	3.44	0.64	15
22. Integrity	100	76 76.00	22 22.00	2 2.00	- -	98 98.00	2 2.00	3.74	0.48	2
23. Team worker	100	57 57.00	27 27.00	12 12.00	4 4.00	84 84.00	16 16.00	3.37	0.85	20
24. Superior learner and teacher	100	31 31.00	48 48.00	18 18.00	3 3.00	79 79.00	21 21.00	3.07	0.78	29
25. Patient and urgent	100	42 42.00	36 36.00	16 16.00	6 6.00	78 78.00	22 22.00	3.14	0.90	27
26. Time management	100	53 53.00	27 27.00	16 16.00	4 4.00	80 80.00	20 20.00	3.29	0.88	23
27. Supportive	100	40 40.00	48 48.00	11 11.00	1 1.00	88 88.00	12 12.00	3.27	0.69	24

CUSTOMER SERVICE	N									
28. Customers' knowledge	100	61 61.00	33 33.00	4 4.00	2 2.00	94 94.00	6 6.00	3.53	0.67	9
29. Market driven	100	29 29.00	48 48.00	16 16.00	7 7.00	77 77.00	23 23.00	2.99	0.86	30
30. Value creation and enhancement	100	68 68.00	26 26.00	4 4.00	2 2.00	94 94.00	6 6.00	3.60	0.67	4
TOLERANCE OF RISK, AMBIGUITY AND UNCERTAINTY	N									
31. Risk taker	100	22 22.00	46 46.00	30 30.00	2 2.00	68 68.00	32 32.00	2.88	0.77	32
32. Risk sharer	100	13 13.00	34 34.00	48 48.00	5 5.00	47 47.00	53 53.00	2.55	0.78	34
33. Manage paradoxes and contradictions	99	12 12.12	47 47.47	32 32.32	8 8.08	59 59.60	40 40.40	2.64	0.80	33
34. Tolerates lack of structure	100	10 10.00	46 46.00	31 31.00	13 13.00	56 56.00	44 44.00	2.53	0.85	35
35. Tolerates stress and conflict	100	28 28.00	47 47.00	20 20.00	5 5.00	75 75.00	25 25.00	2.98	0.83	31
36. Resolve problems and integrate solutions	100	42 42.00	50 50.00	7 7.00	1 1.00	92 92.00	8 8.00	3.33	0.65	22
CREATIVITY, SELF-RELIANCE AND ABILITY TO ADAPT										
37. Non-conventional and open minded/literal thinker	100	43 43.00	48 48.00	9 9.00	- -	91 91.00	9 9.00	3.34	0.64	21
38. Comfortable with change	100	42 42.00	40 40.00	16 16.00	2 2.00	82 82.00	18 18.00	3.22	0.79	25
39. Ability to adapt	100	55 55.00	34 34.00	9 9.00	2 2.00	89 89.00	11 11.00	3.42	0.74	17
40. Quick learner	100	62 62.00	36 36.00	2 2.00	- -	98 98.00	2 2.00	3.60	0.53	5
41. Don't fear mistakes	100	39 39.00	43 43.00	17 17.00	1 1.00	82 82.00	18 18.00	3.20	0.75	26
42. Conceptualise and visualise ideas	100	59 59.00	35 35.00	6 6.00	- -	94 94.00	6 6.00	3.53	0.61	10
MOTIVATION TO EXCEL										
43. Goal-and-results orientated	100	60 60.00	32 32.00	6 6.00	2 2.00	92 92.00	8 8.00	3.50	0.70	11
44. Drive to achieve and grow	100	60 60.00	31 31.00	8 8.00	1 1.00	91 91.00	9 9.00	3.50	0.69	12
45. Low need for status and power	100	41 41.00	33 33.00	22 22.00	4 4.00	74 74.00	26 26.00	3.11	0.89	28
46. Aware of weaknesses and strengths	100	60 60.00	36 36.00	3 3.00	1 1.00	96 96.00	4 4.00	3.55	0.61	8
47. Has perspective	100	51 51.00	44 44.00	5 5.00	- -	95 95.00	5 5.00	3.46	0.59	13

Table 5 portrayed the extent to which commitment and determination was represented amongst the respondents in this study. These respondents obtained high scores in all the individual items testing this attribute. Mean item scores ranged between 3.59 and 3.41 on a 4-point scale, with willingness to make personal sacrifices for their businesses obtaining the highest score (mean score 3.59 and 93.94% being positive about this aspect), followed by the fact that they are disciplined, are persistent in problem solving, exercise complete engagement in their businesses and are decisive and have the ability to commit themselves quickly (mean score 3.41). The total attribute was ranked second amongst all six attributes, with a mean score of 3.48 on a 4-point scale, showing that commitment and determination were strong attributes among these entrepreneurs.

Timmons and Spinelli (2004:249) view commitment and determination as more significant than other aspects for success in entrepreneurial businesses, as with this characteristic they can overcome difficulties and balance weaknesses. Other authors (Steyn 1998:4-7, Dees *et al.* 2002:301-304, Juul 2002:19, Kirby 2003:108) emphasize the positive effect of commitment and determination on the success of entrepreneurial businesses as well.

Table 5 reveals that this group of fashion entrepreneurs possess an extremely strong and well-developed capacity for leadership. This attribute was ranked first of all six attributes, with a mean score of 3.6 on a 4-point scale. Items used to test leadership potential obtained scores ranging from 3.76 to 3.07. The leadership item which obtained the highest score of 3.76, with 96 percent of the respondents being of the opinion that the statement was very true or quite true, stated that the entrepreneur treats others as he wants to be treated himself.

These entrepreneurs responded in accordance with Timmons and Spinelli (2004:252), who state that successful entrepreneurs have a tendency to use influence without official power. This statement was followed by one stating that he or she has integrity, is reliable, builds trust and practices fairness, with a mean score of 3.74, and the statement that the entrepreneur is a self-starter that takes initiative, with a

mean score of 3.62. The leadership characteristic which these entrepreneurs rated lowest was that of being a superior learner and teacher, with a mean score of 3.07. Kirby (2003: 171) points out that it is increasingly accepted that leadership capability can be developed. Nieman *et al.* (2003:16) explain that leadership implies being comfortable with people, having good personal communications, confronting problems, being tolerant of differences in opinion, trusting people and giving appreciation and acknowledgement where it is deserved.

The respondent's approach towards customer service displayed in Table 5 indicates that the fashion entrepreneurs in this study are not exceptionally customer-oriented, as this attribute is rated fifth among the six aspects, with a mean score of 3.37. The majority feel that they strive towards excellent value creation and enhancement, with a mean score rating of 3.6, and nearly equal numbers claim that they have an intimate knowledge of customers' needs (mean score rating of 3.53). However, these entrepreneurs do not seem to be extremely market driven and obtained a mean score of 2.99 for this statement. Timmons and Spinelli (2004:253) point out those successful entrepreneurs passionately pursue opportunities for accumulating resources or money and in order to succeed in this, they know their clients and competition closely. Nieman *et al.* (2003:20) confirm the importance of converting ideas into opportunities in the entrepreneurial process.

Tolerance of risk and uncertainty does not seem to be a very strong characteristic of these fashion entrepreneurs, as the total attribute was scored lowest of all six factors, with a mean score rating of 2.81 on a 4-point scale. When analysing the individual items, it is clear that the majority of respondents were of the opinion that they have the ability to resolve problems and integrate solutions, and this statement obtained a mean score rating of 3.33. All the other statements with regard to risk taking, risk sharing, managing of contradictions, tolerance for uncertainty and also for stress and conflict, were scored lower, with a mean score rating of less than 3.

Successful entrepreneurs endure risk, indistinctness and uncertainty and they manage contradictions as well, because high rates of change, uncertainty and high risk levels

are natural regarding their business (Timmons and Spinelli 2004:253). Although entrepreneurs share financial risks with other people like investors, creditors, customers and suppliers, to mention a few, they are considerate and, therefore, take calculated risks (Carter & Jones-Evans 2000:140, Dees *et al.* 2002:295, Gerber 2002:8, Goosen *et al.* 2002:47, De Villiers 2003:18). Ambiguity and stress are part of every aspect of the entrepreneurial business because of constant changes. The successful entrepreneur can tolerate these factors and is comfortable with the resultant conflict which accompanies many entrepreneurial activities (Ahwireng-Obeng & Mokgohlwa 2002:30, Dees *et al.* 2002:303, Timmons and Spinelli 2004:253).

Table 5 reflects a moderate degree of creativity, self-reliance and ability to adapt on the side of the fashion entrepreneurs. The total attribute obtained a mean score rating of 3.39, which positions this factor fourth among the six attributes. Individual item analysis reveals that the ability to learn quickly was scored highest, with a mean score rating of 3.6 and 98 percent of the respondents being of the opinion that this statement is very true or quite true of them. The ability to conceptualise and visualise details also seemed to be a strong benefit (mean score rating 3.35) and being a creative problem solver (mean score rating 3.42), followed by the ability to adapt and solve problems creatively. No fear of making mistakes was rated last, with a mean score rating of 3.20. Innovative entrepreneurs are restless initiators who think creatively and generate detailed ideas. Furthermore, their highly adaptable nature enables them to be flexible and respond quickly and effectively to changes (Steyn 1998:6, Fu-Lai Yu 1999:247, Timmons and Spinelli 2004:253).

The fashion entrepreneurs' motivation to excel is also portrayed in Table 5. According to the results, they seem to be highly motivated to perform extremely well in their businesses. The total attribute was ranked third, with a mean score rating of 3.42. Individual item analysis shows that the majority are aware of their own weaknesses and strengths, with a mean score rating of 3.55 and 96 percent being of the opinion that this statement is very true or quite true of themselves, followed by the fact that they have a goal-and-result orientation and set high but realistic goals

(mean score rating of 3.50). About three-quarters of the respondents feel that it is very or quite true that they have a low need for status and power (mean score rating of 3.11).

The literature reveals that entrepreneurs have a higher level of achievement than non-entrepreneurs and they are action as well as goal-and-result orientated individuals, who will use and develop coherent strategies to reach their goals. Personal motivation arises from performance rather than a need for status and power and the reward for achievement is that it gives the entrepreneur specific power. Although entrepreneurs attempt to live a balanced life, they are also aware of their own weaknesses and strengths and, therefore, have to preserve perspective, which also contributes to motivation (Jain 1998:17, Steyn 1998:6, Cronjé *et al.* 2004:45, Timmons & Spinelli 2004:254).

4.2.4 PSYCHOMETRIC PROPERTIES OF THE MEASURING INSTRUMENT REGARDING ENTREPRENEURIAL ATTRIBUTES

4.2.4.1 Reliability

A reliable measuring instrument displays internal consistency, which refers to the tendency of the different items on the scale to give the same response from any given respondent on a single administration of the test (Henerson, Morris & Fitz-Gibbons 1978:146, Babbie 2007:143). Test reliability can be determined in many ways. Cronbach's alpha coefficient is a suitable measure for tests with multiple-scored items which are administered once, as were used in this study. The procedure comprises the determination of the variance of all individuals' scores for each item and the addition of these variances across all items (Field 2005:124).

4.2.4.2 Results of reliability determination

The Cronbach alpha coefficients for the selected entrepreneurial attribute factors are given in Table 6.

TABLE 6 COEFFICIENT ALPHA FOR ENTREPRENEURIAL ATTRIBUTES

QUALITY ASSESSMENT FACTORS	NUMBER OF ITEMS	COEFFICIENT ALPHA
Commitment and Determination	5	0.75
Leadership	10	0.86
Customer Service	3	0.77
Tolerance of Risk, Ambiguity and Uncertainty	6	0.80
Creativity, Self-Reliance and Ability to Adapt	6	0.80
Motivation to Excel	5	0.75

From Table 6 it is clear that the reliability coefficients for all the factors were high. For the overall scale, the alpha coefficients for the various factors varied between 0.75 – 0.86. The factors displayed very good reliability.

4.2.4.3 Validity

Validity is a psychometric property of the measuring instrument which determines whether a test measures what it is supposed to measure and determines whether that test can be used in making accurate decisions (Murphy & Davidshofer, 2001:145). Construct validity refers to the extent to which one can be sure the instrument represents the construct or attribute under consideration (Babbie 2007:147).

Construct validity for this study was assessed by means of confirmatory factor analysis, as described by Van Aardt and Steyn (1991: 47). Each of the subscales (apparel quality assessment criteria) was subjected to a factor analysis, using principal components for factor extraction. The FACTOR procedure of SAS Institute Inc. The SAS System for Windows Release 9.1 TS Level 1M0 was used for this analysis. According to Smith, Barnard and Steyn (1988: 20), a scale displays good construct validity when one (the ideal) or only a few factors are extracted, which

together explain a substantial proportion of the variance and when high communalities are obtained for each statement.

4.2.4.4 Results of validity determination

The number of factors extracted, the percentage of total variance explained by these extracted factors and the range of communalities on the statements for each attribute subscale are given in Table 7.

TABLE 7 FACTORS EXTRACTED, TOTAL VARIANCE EXPLAINED AND RANGE OF COMMUNALITIES FOR EACH ENTREPRENEURIAL ATTRIBUTE

QUALITY ASSESSMENT FACTOR	SUBFACTORS EXTRACTED	TOTAL VARIANCE EXPLAINED BY EXTRACTED SUBFACTORS (%)	RANGE OF COMMUNALITIES
Commitment and Determination	1	50.49	0.37-0.64
Leadership	3	66.97	0.50-0.91
Customer orientation	1	69.59	0.59-0.77
Tolerance of risk, ambiguity and uncertainty	1	51.00	0.43-0.57
Creativity, self-reliance and ability to adapt	1	52.96	0.29-0.73
Motivation to excel	2	74.48	0.65-0.83

Although the ideal is to extract only one factor, this is seldom achieved in practice. The extracted sub-factors in Table 7 together explain a substantial proportion of the total variance for each of the subscales. The Mineigen criterion was used to determine how many factors were extracted. The communality on each statement

comprised more than half of the total variance for most of the statements. Only six of the statements out of 35 items in all the factors yielded communalities < 0.5 .

As the factor analysis for this instrument complies with the requirements for good construct validity to a large extent, the researcher is of the opinion that the measuring instrument has satisfactory construct validity.

Content validity was also investigated for this section of the questionnaire. According to Murphy and Davidshofer (2001:150), content validity is demonstrated when all test items seem to measure the construct which appears as heading of a group of items, which is the case in this section of the questionnaire used in this study. Furthermore, all items in this instrument correspond with those in other measuring instruments (Gouws 1997:145, Goosen *et al.* 2002:41-42, Timmons & Spinelli 2004:250) which measured similar constructs. Also, the total set of behaviours in this section was appropriate for measuring the characteristic behaviour of the specific respondents in this study, which is another requirement for content validity (Murphy & Davidshofer, 2001:148). The content validity could consequently be deemed satisfactory.

In conclusion, it can be said that this section of the questionnaire, which tested desirable entrepreneurial attributes, was found both valid and reliable.

4.2.5 Specific skills and knowledge required

The levels of expertise that the entrepreneurs involved in this study had with reference to skills and knowledge, are depicted in Table 8.

TABLE 8 LEVEL OF EXPERTISE IN SKILLS AND KNOWLEDGE

SPECIFIC SKILLS & KNOLEDGE		High	Medium	Low	Very low	Positive	Negative	Mean Score	Standard Dev	Ranking Order
		4	3	2	1	4+3	2+1			
		n	n	n	n	n	n			
		%	%	%	%	%	%			
A. SKILLS	N									
8.1 Manual design process	99	48 48.48	31 31.31	9 9.09	11 11.11	79 79.80	20 20.20	3.17	1.00	2
8.2 CAD	99	6 6.06	8 8.08	23 23.23	62 62.63	14 14.14	85 85.86	1.58	0.88	10
8.3 Manufacturing	99	63 63.64	23 23.23	6 6.06	7 7.07	86 86.87	13 13.13	3.43	0.89	1
8.4 Marketing	99	19 19.19	38 38.38	26 26.26	16 16.16	57 57.58	42 42.42	2.61	0.98	7
8.5 Communication	100	36 36.00	34 34.00	25 25.00	5 5.00	70 70.00	30 30.00	3.01	0.90	3
8.6 Technology: electronic	100	5 5.00	25 25.00	27 27.00	43 43.00	30 30.00	70 70.00	1.92	0.94	8
8.7 Technology: equipment	100	25 25.00	37 37.00	20 20.00	18 18.00	62 62.00	38 38.00	2.69	1.04	5
8.8 Business management	100	18 18.00	45 45.00	24 24.00	13 13.00	63 63.00	37 37.00	2.68	0.92	6
8.9 Financial management	100	21 21.00	40 40.00	29 29.00	10 10.00	61 61.00	39 39.00	2.72	0.91	4
8.10 International orientation	100	3 3.00	4 4.00	21 21.00	72 72.00	7 7.00	93 93.00	1.38	0.71	11
8.11 National product distribution	100	2 2.00	18 18.00	31 31.00	49 49.00	20 20.00	80 80.00	1.73	0.83	9
B. KNOWLEDGE	N									
8.13 Competitors	100	25 25.00	38 38.00	28 28.00	9 9.00	63 63.00	37 37.00	2.79	0.92	3
8.14 Bookkeeping systems	100	13 13.00	42 42.00	30 30.00	15 15.00	55 55.00	45 45.00	2.53	0.90	6
8.15 Expert knowledge	100	18 18.00	33 33.00	34 34.00	15 15.00	51 51.00	49 49.00	2.54	0.96	5
8.16 Legal aspects	100	7 7.00	23 23.00	38 38.00	32 32.00	30 30.00	70 70.00	2.05	0.91	7
8.17 Materials	100	48 48.00	43 43.00	9 9.00	- -	91 91.00	9 9.00	3.39	0.65	1
8.18 Labour aspects	100	15 15.00	42 42.00	31 31.00	12 12.00	57 57.00	43 43.00	2.60	0.89	4
8.19 Equipment	100	37 37.00	34 34.00	25 25.00	4 4.00	71 71.00	29 29.00	3.04	0.89	2

Table 8 shows that, regarding skills, these entrepreneurs were well skilled in manufacturing, with 86.87 percent being of the opinion that the level of their manufacturing skills varied from high to medium, followed by the ability to design manually (79.80% in the high to medium category) and thirdly, they felt that their communication skills were good (70.00% rated these high to medium).

Timmons and Spinelli (2004:284) confirm that knowledge of production processes as well as the management of production in terms of time, cost and quality is crucial for the entrepreneur. Easey (2002:2) as well as Lewis and Dickson (2003:157) point out that design skills are essential for all categories of fashion products, from made-to-measure suits to elaborate items, in order to ensure quality products that can be manufactured efficiently. The importance of effective and clear communication to media, public, customers, peers and subordinates is also emphasised by Timmons and Spinelli (2004:283).

Less of the respondents (61.00%) were of the opinion that their financial management skills were on a high to medium level, while nearly the same number of respondents (62.00%) thought that their technological skills in equipment were high to medium. Skills in business management and marketing were on a satisfactory level (63.00% and 57.58% on high to medium level respectively), while skills in national product distribution and international orientation were predominantly low to very low.

Lewis and Dickson (2003:157-159) postulate that a wide range of knowledge is required to export successfully, such as understanding of production deadlines, demands of the export market, delivery commitments, export laws and general exporting skills. The importance of functional management skills regarding planning, organisation, customer service, employees, strategic planning as well as financial management is frequently mentioned by various authors (Gaskill 1993:24, Hisrich & Peters 2002:13, Nieman *et al.* 2003:13, Nieuwenhuizen & Kroon 2003:137, Cronjé *et al.* 2004:52, Rwigema & Venter 2004:43-44).

Marketing is also seen as a significant and crucial management process concerned with anticipating, identifying and satisfying customer needs (Easey 2002:3). Jarnow & Dickerson (1997:12), Wolfe (1998:129) and Hisrich and Peters (2002:13) proceed by pointing out that a market of sufficient size is needed and the marketer must know how to put together the best package of product, price, distribution and promotion.

Skills in electronic technology and CAD were also rated low and very low, respectively. Aldrich (2004:184) confirms that it takes time to master computer programmes such as CAD, but points out that a new generation of designers is now emerging from training institutions that are more comfortable with electronic technology and they might give impetus to its application. Frings (2005:44-45, 209) points out that computer technology has revolutionised manufacturing in that CAD, grading, cutting, unit and modular systems, pressing and distribution activities all rely heavily on computer-based functioning.

With reference to the level of relevant entrepreneurial knowledge of various aspects, 91 percent of these respondents indicated that they were most knowledgeable about materials which are used in fashion manufacturing processes, followed by 71 percent with high to medium knowledge about equipment used, while in the third place they seemed to be quite knowledgeable about their competitors, as 63 percent are positive about this aspect. Less (57.00%) had high or medium levels of knowledge on labour aspects and only about half of them (51.00%) felt that they were experts in their field to a high or medium extent. Both Spike (1990) and Glock and Kunz (1995:173) confirm that fashion entrepreneurs must have expert knowledge of the field in which they work.

Knowledge about legal aspects was a serious shortcoming as only 30 percent had a high or medium level of knowledge on this aspect. Juul (2002:36) as well as Mete (2006:288) confirm that knowledge about materials and special trims used to make a finished product, as well as sources of supply, processes followed for manufacturing, the right quantity and quality of labour (skilled, semi-skilled and unskilled) and an

appropriate quantity and quality of equipment of the right price are all important aspects on which a significant level of knowledge must be possessed.

Wolfe (1998:546), Fielden *et al.* (2000:302) as well as Timmons and Spinelli (2004:283-284) elaborate on the necessity of knowledge on laws and taxes and also of accounting. That knowledge of bookkeeping systems and accounting is essential, and is confirmed by more authors (Kwestel *et al.*, 1998:71, Burns 1999:6, Hisrich & Peters, 2002:20, Granger & Sterling 2003:10, Nieman *et al.*, 2003:19).

4.2.6 Lack of necessary skills and knowledge

Respondents were asked what skills and knowledge, apart from those mentioned in Table 8, they lack due to insufficient training. Their responses are given in Table 9.

TABLE 9 LACK OF SKILLS AND KNOWLEDGE (N = 100)

LACK OF SKILLS AND KNOWLEDGE	FREQUENCY	% DISTRIBUTION
SKILLS		
Drawing and illustration	19	19.00
Advanced techniques	6	6.00
Management and technology	4	4.00
Organization	1	1.00
Embroidery	2	2.00
Pattern grading	1	1.00
None	67	67.00
KNOWLEDGE		
Human resources	2	2.00
Marketing	5	5.00
Clothing industry	4	4.00
Figure disproportion (individual figure)	4	4.00
Revenue (tax)	3	3.00
Starting-up a business	1	1.00
Computer (literacy)	6	6.00
Costing and consultation fees	1	1.00
None	74	74.00

Table 9 reveals that these entrepreneurs feel that they lack skills and knowledge in only a few areas. Regarding skills, the biggest need seems to be in the area of drawing and illustration, with 19 percent lacking this skill. Aldrich (2004:187) confirms that the technique of accurate technical drawing in correct proportion and measurements is indispensable, and adds that computer technology can be used to aid the designer in this.

Another skill which was a shortcoming for six percent of the respondents was advanced techniques. White and Griffiths (2000:99) postulate that, especially for the new generation of textiles, new techniques of construction and innovative solutions are required. Frings (2005:44) adds that new fabric finishes change fabric characteristics, which in turns necessitates advanced production technology. Four percent of the respondents indicated a need for skills in management and technology.

With reference to lacking knowledge, six percent of the respondents indicated that they lacked computer literacy, followed by five percent who lacked knowledge on marketing and four percent who lacked knowledge on the clothing industry and figure disproportion, respectively. The indispensability of computer training and competency is emphasised by various authors (Burns 1999:17, Aldrich 2004:184, Frings 2005:45). Hisrich and Peters (2002:20) list marketing planning as one of the objectives for a course in Entrepreneurship, while Timmons and Spinelli (2004:284) also mention marketing knowledge as essential for management competencies.

4.3 THE ENTREPRENEURIAL BUSINESS

For the purpose of the study, the start-up, business functioning and technological influences playing a role in this study were investigated.

4.3.1 Start-up of the business

Results with regard to the ways in which these entrepreneurs started their businesses are given in Table 10.

TABLE 10 ENTREPRENEURIAL BUSINESS START-UP ACTIVITY

ENTREPRENEURIAL BUSINESS ACTIVITY	FREQUENCY	% DISTRIBUTION
AGE OF BUSINESS (N = 100)		
18 months – 2 years	10	10.00
2 ⁺ – 3 years	8	8.00
3 ⁺ – 4 years	6	6.00
Longer than 4 years	76	76.00
FORM OF BUSINESS (N = 100)		
Sole proprietor	71	71.00
Partnership	13	13.00
Close corporation	16	16.00
PLACE OF BUSINESS (N = 100)		
Family home	56	56.00
Adjacent to family home	17	17.00
Premises away from family home	27	27.00
SOURCE OF FUNDS (N = 100)		
Own funds	87	87.00
Retrenchment package	3	3.00
Local money lender	1	1.00
Loan from family or friends	4	4.00
Loan from commercial bank	5	5.00
LOAN APPLICATION (N = 100)		
Yes	18	18.00
No	82	82.00
SUCCESS WITH LOAN APPLICATION (N = 100)		
Yes	15	15.00
No	3	3.00
Not applicable	82	82.00
REASON FOR NOT APPLYING (N = 100)		
Not necessary	96	96.00
High interest rate	1	1.00
Financial risk	3	3.00

Table 10 reveals that more than three-quarters (76.00%) of these entrepreneurs had started their businesses more than four years ago, followed by 14 percent whose businesses were started between two and four years ago. Only 10 percent had started their businesses two years ago or shorter. Fielden *et al.* (2000:295, 303) explain that new or young businesses face various barriers and point out that the first year may not only determine the survival of new businesses, but may also resolve their

successive levels of success and development. Different authors (Wolfe 1998:544, Kirby 2003:35) point out that it takes at least two years for an entrepreneurial business to become profitable, although some are of the opinion that this period may take as long as five years (Granger & Sterling 2003:12) and that 57 percent of these fail by the end of the second year.

As 90 percent of the businesses in this study had been started at least two years ago, one could predict a reasonable echelon of survival and future success for them, although other authors (Burns 1999:17, Moore 2000:176) are of the opinion that the majority of small businesses fail within three to five years. In a study on home-based businesses in South Africa, Van Aardt and Kroon (1999:11) found that 52 percent of the businesses survived for six years or less.

When looking at the forms of businesses in this study, the majority (70.00%) were in the form of sole proprietor, while 16 percent were in the form of a close corporation and 13 percent in the form of a partnership. According to the literature, being a sole proprietor seems to be the most popular choice for a new business (Cronjé *et al.* 1990:380, Van Aardt & Kroon 1999:10, Alsbury 2001:7, Frings 2005:292).

The most popular location for entrepreneurial fashion businesses in this study was the family home (56.00%), followed by premises away from the family home (27.00%) and lastly a location adjacent to the family home (17%). Alsbury (2001:43) points out that it is convenient and advantageous to work from home, as it reduces travel costs and business overheads. There is also tax compensation linked to this situation, as some running costs such as maintenance, heating and lighting may be tax deductible.

Cronjé *et al.* (1990:31) point out, however, that many other factors should be considered when choosing the location, such as the proximity of and access to the market, where the raw materials are obtained, the availability of labour in the near vicinity, facilities such as water and electricity, transport required, the existing business environment and competition, the availability and costs of a site and

regulations of the local authorities regarding business premises. The importance of many of the above-mentioned considerations are confirmed by other authors as well (Shim & Spiegel 2000:14, O'Neill & Viljoen 2001:41, Granger & Sterling 2003:93-94, Kirby 2003:36, Nieman *et al.* 2003:137).

When looking at the funding of these fashion businesses, it is clear that the majority of these entrepreneurs (86.73%) used own funds to start the business, while only a few (5.10%) had loans from a commercial bank and from family or friends (4.08%). Only three percent used retrenchment packets for this purpose. Various researchers (Fielden *et al.* 2000:300, Hormozi *et al.* 2002:759) state that one of the biggest barriers encountered when starting a business is obtaining financing. Alsbury (2001:58) confirms the necessity to make sure of funding needs and appropriate sources of funding beforehand.

Alsbury (2001:70) is of the opinion that the main source for both start-up and funding of businesses is banks or building societies, and Nieuwenhuizen and Kroon (2003:141) recommend that banks should provide funding to entrepreneurs with little security, but on condition that they conform with certain criteria which are associated with success. Coulter (2000:84) as well as Hisrich and Peters (2002:14) and Nieman *et al.* (2003:32), however, point out that personal funding is an effective way of financing the business and often used by entrepreneurs, which is in accordance with findings of this study. Recent research (Miller 2002:44, Smith 2004:8) reveals that entrepreneurs do sometimes borrow money from their family to start a business.

Regarding loan applications, only 18 percent of the respondents applied for loans when they started their businesses and of these, 83.33 percent were successful. Of those that did not apply for loans, the majority (95.5%) did not need financing, while 3.65 percent deemed it a financial risk and only 1.21 percent found the high interest rate that they would have to pay a reason for not applying for a loan.

Carter and Jones-Evans (2000:30) claim that unemployment late in the previous century and encouragement by the government towards an "enterprise culture"

promoted the starting of small businesses, but they point out that the recession by the end of the century made it hard to obtain loans and that calling in of debts was a general practice. This might have been one of the reasons for discouraging these entrepreneurs to apply for loans. Shim and Siegel (2000:10) as well as Juul (2002:5) confirm that formal money lenders such as banks mostly look upon small businesses as a high risk business. Other reasons mentioned in the literature which might depress application for loans, are the liability and burden of debt that is experienced, lack of security and high interest rates (Kushell 1999:117, Coulter 2000:86, Lambing & Kuehl 2000:198).

4.3.2 Functioning of the business

Results with regard to the functioning of the respondents' businesses are given in Tables 11 and 12.

TABLE 11 ENTREPRENEURIAL BUSINESS FUNCTIONING ACTIVITY

ENTREPRENEURIAL BUSINESS ACTIVITY	FREQUENCY	% DISTRIBUTION
SOLE CAREER OR NOT? (N = 100)		
Sole career	67	67.00
Another job as well	33	33.00
IS BUSINESS PROFITABLE? (N = 100)		
Very profitable	12	12.00
Reasonable profitable	64	64.00
Break even	16	25.00
Not profitable	8	8.00
NUMBER WORKING IN BUSINESS (N = 100)		
1 person	48	48.00
2 – 4 persons	34	34.00
5 – 10 persons	12	12.00
11 – 50 persons	6	6.00
FAMILY MEMBERS (N = 52)		
1 – 2	48	92.31
3 – 4	3	5.77
5 +	1	1.92
ASSETS HELD BY THE BUSINESS (N = 100)		
Up to R20 000	42	42.00
R21 000 – R50 000	25	25.00

R51 000 – R100 000	15	15.00
R101 000 – R500 000	13	13.00
More than R500 000	5	5.00
ANNUAL TURNOVER PER YEAR (N = 100)		
Up to R20 000	38	38.00
R21 000 – R50 000	23	23.00
R51 000 – R100 000	8	8.00
R101 000 – R200 000	12	12.00
More than R200 000	19	19.00
ANNUAL NET INCOME (N = 100)		
0 – R25 000	46	46.00
R25 001 – R50 000	26	26.00
R50 001 – R100 000	12	12.00
More than R100 000	16	16.00
METHODS OF ADVERTISING (N = 100)		
Word of mouth	82	82.00
Advertising	6	6.00
Publicity/marketing	3	3.00
Personal sales	9	9.00

Inspection of Table 11 reveals that about two-thirds (66.33%) of these entrepreneurs commission their businesses as a sole career, while as many as a third (33.67%) have another job as well. Krass (1999:90) also mentions that some entrepreneurs keep working for a salary until their businesses are sustainable.

The profitability of these businesses does not seem to be overwhelmingly good. Only 12.12 percent of them were of the opinion that their businesses were very profitable, while nearly two thirds esteemed the businesses as fairly profitable. A quarter (25.53%) broke even, while the businesses were not profitable in 7.07 percent of the cases.

The assets held by the businesses varied between R20 000 and more than R500 000, but most of the respondents (42.00%) estimated their assets to be R20 000 or less. A quarter estimated them to be between R21 000 and R50 000, while only five percent thought that their assets were more than R500 000. When investigating the annual turnover, once again the biggest group (38.00%) fell in the smallest category of up to R20 000. Nearly a quarter (23.00%) fell in the second category of R21 000-R50 000.

A considerable number (19%) did, however, fall in the highest category of more than R200 000. Annual net income displayed a similar picture, as the biggest group (45%) had a net income of R25 000 or less, while just more than a quarter (26.26%) had an annual net income of R25 001-R50 000. Only 28.28 percent had an annual net income of more than R50 000.

Very little information is available on profitability, assets, turnover and net income of small businesses in general, but a few researchers found that a considerable number of small businesses started out small, with a rather humble profile and meagre income, and escalated into a much higher profile, upmarket premises, an impressive income and even international exposure (Van Rooyen 1997:67, Mabanga 2001:2, De Villiers 2003:18, Gordon 2003:1, Flynn 2005:1). In a comprehensive definition of SMME's in South Africa, Cronjé *et al.* (2000:495) states that a SMME may have one or more of the following characteristics: fewer than 200 employees, an annual turnover of less than R5 million, capital assets of less than R2 million and an owner that is occupied in the management of the business.

In this study the biggest number of respondents (48%) employed no other workers, implying that they worked alone, followed by approximately a third (34.00%) that employed two to four workers. Only 12 percent employed five to ten persons, while a mere six percent employed between eleven and fifty persons. In South Africa, the number of employees in entrepreneurial businesses seem to be small. It is reported that micro enterprises in clothing manufacturing mostly employ five or fewer workers (Smit 1997:82, Van Aardt & Kroon 1999:11, Smith 2004:8).

Steyn (1998:9) is of the opinion that a team of workers might form a better foundation for growth than a single entrepreneur working alone. In this study a considerable number of the employees were family members. As many as 92.31 percent of those that employed additional workers, hired one to two family members, implying that these entrepreneurs mostly operated alone or with the help of family members.

According to Miller (2003:2) and also Shirk and Wadia (2002:271), the typical entrepreneurial apparel business is run by the owner alone or in conjunction with his or her spouse and/or children. Spike (1990:76) is of the opinion that family members are the most logical employees, as this practice keeps the money within the family and tax benefits can be involved. Kirby (2003:249) confirms that most entrepreneurs of small businesses either employ nobody or employ family members.

The importance of marketing and advertising for entrepreneurial businesses in order to stay in business and grow, is emphasised by various authors and researchers (Lambing & Kuell 2000:167, Easey 2002:3, Shirk & Wadia 2002:263, Kaplan 2003:65-67). They warn, however, that the costs of marketing cannot be ignored, as this can be considerable. Advertising did not seem to be important to the entrepreneurs in this study, as by far the majority (81.25%) relied on the word-of-mouth method to become known. One of the best and cheapest ways to promote word-of-mouth is to hand extra business cards to your clients (Spike 1990:34). According to Hisrich and Peters (2002:74), there is nothing better than this way of advertising to promote your business and establish a reputation.

The entrepreneurs' responses regarding the competitive advantages of their business are displayed in Table 12. Of the various advantages listed in the questionnaire, by far the majority of these entrepreneurs (99.00%) indicated that quality performance was important or very important in the functioning of their business and this factor was also ranked first in the list of possible competitive advantages, with a mean of 3.93 on a 4-point Likert scale. Approximately equally important to them was customer focus, with all of the respondents (100.00%) indicating that this factor was either important or very important. This factor was ranked second, with a mean score of 3.83 on a 4-point Likert scale, followed by integrity, which 99 percent of the respondents found important or very important, with a mean score of 3.80. Innovation was also found as a key factor in their success, with 94 percent of the respondents evaluating this factor as important or very important, while low-cost production was rated least important of the five listed factors, with 68 percent of the respondents finding this factor important or very important.

TABLE 12 COMPETITIVE ADVANTAGES

IMPORTANCE OF COMPETITIVE ADVANTAGES		Very important	Important	Less important	Not important	Positive	Negative	Mean Score	Standard Dev	Ranking Order
		4	3	2	1	4+3	2+1			
		n	n	n	n	n	n			
		%	%	%	%	%	%			
ASPECTS	N									
61.1 Customer focus	100	83	17	-	-	100	-	3.83	0.38	2
		83.00	17.00	-	-	100.00	-			
61.2 Integrity	100	81	18	1	-	99	1	3.80	0.43	3
		81.00	18.00	1.00	-	99.00	1.00			
61.3 Innovation	100	59	35	6	-	94	6	3.53	0.61	4
		59.00	35.00	6.00	-	94.00	6.00			
61.4 Low-cost production	100	32	36	22	10	68	32	2.90	0.97	5
		32.00	36.00	22.00	10.00	68.00	32.00			
61.5 Quality	100	94	5	1	-	99	1	3.93	0.29	1
		94.00	5.00	1.00	-	99.00	1.00			

Competitiveness means being unique and creating an exclusive and sustainable competitive position. Low (2003:61) points out that it should not focus on price competitiveness alone, but should rather deliver variety, innovative products and new technology. In the literature there are further indications that all the factors listed in the questionnaire are important in assuring success in the business.

Regarding quality, Jain (1998:16) emphasises that entrepreneurs should at least meet existing standards of excellence or perform even better, as this would give the entrepreneur an advantage in competition with similar businesses. Terblanché (1998:374) adds that quality in service contributes to the customer's assessment of overall distinction and his or her expectations of standards. Nieman *et al.* (2003:140) point out that it is important to have a quality system in place, especially if the business aims to develop globally in the future, and confirms that maintaining quality standards can assure that a business constantly meets its customers' requirements. Another finding from the research which should be kept in mind, is that generation X, representing the younger and now biggest group of consumers, focuses amongst

others on quality when considering apparel purchases, while this aspect was also important to baby boomers, who are just older than generation X (Littrell *et al.* 2005:415-417).

Customer focus seems to be another aspect of importance in the effort to satisfy clients' fashion expectations regarding attributes such as materials, colour, style and quality (Saki & DeLong 2006:273). Understanding customers' expectations can provide a means of competitive advantage for businesses and enhance and nurture customer relationships (Ma & Niehm 2006:634). Fashion entrepreneurs' success requires that the fashion business be people-oriented as well as service-oriented, which includes exceptional customer service (Granger & Sterling 2003:4).

Integrity is the third factor which can contribute to competitive advantage, and this can be associated with supportiveness, honesty and respect for others. Jain (1998:19) postulates that such behaviour leads to success without vengefulness. Integrity is also related to ethical behaviour and personal values, which according to Nieman *et al.* (2003:7), is indispensable in gaining clients' trust and positive attitude.

Innovation seems to be another factor which contributes significantly to the competitive advantage of a business. Jain (1998:18) as well as Nayager and Van Vuuren (2005:29) emphasise the importance of identifying new and unique ideas to reach goals and ensure market dominance. This includes new and improved products and services, better operating technology and innovative solutions.

The last factor mentioned in the questionnaire regarding competitive advantages is low-cost production. Although the respondents did not rate this aspect as most important, Jain (1998:17) suggests that entrepreneurs find ways to do things faster, using less resources at a lower cost. This implies improving efficiency and considering costs against benefits.

4.3.3 Technological influences

The responses of the entrepreneurs regarding technological equipment and information technology used in their businesses are displayed in Tables 13, 14 and 15.

TABLE 13 TECHNOLOGICAL INDUSTRIAL EQUIPMENT IN BUSINESS

INDUSTRIAL EQUIPMENT	FREQUENCY	% DISTRIBUTION
BUTTONHOLE MACHINE (N = 100) Yes No	30 70	30.00 70.00
AUTOMATIC HEMMER (N = 100) Yes No	16 84	16.00 84.00
INDUSTRIAL OVERLOCKER (N = 100) Yes No	45 55	45.00 55.00
INDUSTRIAL SEWING MACHINES (N = 100) Yes No	49 51	49.00 51.00
FUSING EQUIPMENT (N = 100) Yes No	18 82	18.00 82.00
PRESSING EQUIPMENT (N = 100) Yes No	51 49	51.00 49.00

Table 13 shows that, regarding industrial technological equipment, the majority of these entrepreneurs (51.00%) possess and use industrial pressing equipment, followed by industrial sewing machines (49.00%) and industrial overlockers (45.00%). Less than a third of them (30.00%) use industrial buttonhole machines, followed by fusing equipment (18.00%) and automatic hemmers (16.00%).

Frings (2005:209-210) points out that three generally used power sewing machines which are nearly indispensable for quick production are the lock-stitch machine, chain stitch machine and overlock or serging machine. Buttonhole and blind-stitch hemming machines also seem valuable pieces of equipment to speed up production and deliver neat and professional products.

In this study nearly half of the respondents use power sewing machines and overlockers, but less have buttonhole machines and relatively few work with blind-stitch hemming machines. According to Lewis and Dickson (2003:159), equipment that is available for small apparel businesses include cutters, sewing machines, sergers and pressers and they recommend training in handling of the equipment.

TABLE 14 TECHNOLOGICAL DOMESTIC EQUIPMENT IN BUSINESS

DOMESTIC EQUIPMENT (N = 100)	FREQUENCY	% DISTRIBUTION
Sewing machines & Overlockers	53	53.00
Embroidery machine	6	6.00
Pressing equipment	1	1.00
Stud machine	1	1.00
Cutting equipment	2	2.00
Knitting machine	2	2.00
Jewellery making equipment	2	2.00
None	33	33.00

Regarding technological domestic equipment, Table 14 reveals that only a third of these entrepreneurs have no domestic equipment, indicating that they are working on a highly industrialised level. Just more than half (53.00%) own domestic sewing

machines and overlockers, while six percent own embroidery machines. For the rest of the domestic equipment listed in Table 14, relatively few of these items are used in the respondents' businesses.

The overall picture regarding equipment requires that the use of industrial equipment should be encouraged, although Wolfe (1998:552) contends that small fashion businesses such as in the home sewing industry deal with non-industrial sewing machines and points out that facilities such as fabric stores, radio and TV-shows, videotapes and mail-order catalogues exist to lend support to this category of businesses. Spike (1990:41) claims that it is viable to start a small fashion production business with domestic equipment, as long as it is well planned and organised. She recommends the following equipment to start with: sewing machine, overlocker, ironing board and commercial iron, home press and good pairs of scissors for various purposes.

TABLE 15 USE OF INFORMATION TECHNOLOGY IN BUSINESS

TYPE OF TECHNOLOGY	FREQUENCY	% DISTRIBUTION
WEBSITE (N = 100)		
Yes	17	17.00
No	83	83.00
WEBSITE UPDATE (N = 98)		
Yes	15	15.31
No	83	84.69
INTERNET (N = 100)		
Yes	58	58.00
No	42	42.00
ELECTRONIC COMMERCE (N = 100)		
Yes	29	29.00
No	71	71.00
E-MAIL (N = 100)		
Yes	30	30.00
No	70	70.00

Inspection of Table 15 shows that more than half of these entrepreneurs (58.00%) have internet facilities, while nearly a third make use of e-mail and nearly the same number (29.00%) of electronic commerce. Relatively few (17.00%) have websites, and only 15.31 percent update these regularly.

Lamb *et al.* (2004:57) warn that fashion businesses cannot afford to ignore technological developments such as computer and information technology in particular, as these open up chances to create value for their customers and establish a competitive advantage. Granger and Sterling (2003:61) as well as Mete (2006:290) point out that the Internet offers fashion designers the opportunity to expand their initial ideas constantly and add to and refine their knowledge. It is also a means of keeping up with the latest technological developments.

Frings (2005:42-43, 75, 295) confirms the value of using information technology in fashion businesses, especially considering that e-mail can be used to communicate with suppliers and to exchange digital design and pattern images. Websites can be used to advertise their products and even small businesses can afford to do this globally. E-commerce also has a great future, as more and more consumers shop online, even globally, and an increasing number of retailers develop “shops” in cyberspace.

According to Kuratko and Hodgets (2004:13), this new wave in doing business is growing at an enormous rate of 200 percent per annum. In conclusion, a warning from Evans and Volery (2001:333) should be heeded that the specific nature of businesses must be taken into account when developing online services. The fashion business is rather specialised and distinctive information will be needed for this purpose.

4. 4 SUMMARY

This chapter presented results of the research in correspondence with the research framework. The entrepreneur was discussed in terms of his or her demographic information, background, entrepreneurial attributes and specific knowledge and skills required. Consecutively, the details of these entrepreneurs' businesses were analysed with regard to the start-up, the business functioning and the role of technological influences in the business. Additionally, the reliability and validity of the instrument, especially with reference to the entrepreneurial attributes, were investigated. The next chapter comprises conclusions and recommendations.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION

This study was designed to attain an integrated perspective on fashion business owners and their businesses. This contributes to an understanding of the starting up and maintaining of a successful fashion business in the technological fashion world. Introductory perspectives on the research problem as well as an in-depth literature review, which served as the theoretical point of departure for this study, were given in the first two chapters. The research methodology was explained in the third chapter and the results were given and discussed in the fourth chapter.

Conclusions drawn from the results will be given in this chapter. The conclusions will be formulated within the context of the research framework as well as the objectives formulated to guide this empirical study. Recommendations will also be made and discussed.

5.2 CONCLUSIONS

Taking into account South Africa's shortfall of an entrepreneurial culture, it was considered necessary to investigate key aspects with reference to small business owners and their businesses in order to gain knowledge about demographic information and personal attributes of fashion entrepreneurs, their businesses and functioning in the technological fashion world. The research framework was successfully used as point of departure for the planning of this study.

With regard to demographic information such as gender, age, marital status, children, education level and the nature and duration of formal business training, this study revealed that there are more female than male small business owners in the Vaal Region. Although traditionally there are more male than female entrepreneurs world-

wide, the finding of this study corresponds with the fact that there is a rapidly increasing number of self-employed women in European countries. Age also plays an important role in the entrepreneurial world. From the eighties, a younger entrepreneurial age profile has been observed and recently confirmed, as studies indicate that a substantial percentage of entrepreneurs are between the ages of 18 and 34. However, potential entrepreneurs in their middle ages could be in a more favourable financial position, and be better able to afford the start-up costs of a new business. Nearly a quarter of this study's respondents fell in each of the younger, middle and older age groups, with a small percentage younger than 25 years of age, indicating that the age distribution of these fashion entrepreneurs is quite balanced. Marital status often provides the necessary support to entrepreneurs in the establishment of new businesses and it is, therefore, less expected for single people to be self-employed, a scenario which was found true for this study as well, as nearly three-quarters of the respondents were married. It can also be expected from self-employed women to have dependent children, but in this study most of the fashion entrepreneurs had children aged older than 19 years, indicating that dependent children were not a major motivation for running a business.

An educational background can enhance natural talent, which implies that education is of importance in the upbringing of the entrepreneur and helps in coping with problems which the entrepreneur might encounter. Education may enhance the development of entrepreneurial skills, abilities to deal with change, the level of entrepreneurial activity and the aptitude to accept challenges. As the majority of these fashion business owners had a tertiary qualification, it can be assumed that they were reasonably well prepared for the entrepreneurial role, although a third had no tertiary qualification. This study revealed that only a fifth of these respondents had formal business training while negligibly few had formal training in business management or other business training.

Childhood and family environment are the two main factors included in the literature discussions on the influential role of entrepreneurial background in the success of the business. Being the oldest child, having entrepreneurial parents, coming from parents

in a high income group and having been exposed to entrepreneurial activities during childhood seem to increase chances of entrepreneurial success. The biggest group of fashion business owners in this study were middle children, while just more than a quarter had entrepreneurial parents. Most of the respondents were of the opinion that their parents fell in the middle income group, and regarding business exposure during childhood, the majority of the respondents had an own business at home or at school. Consequently it can be concluded that despite the fact that these respondents did not meet all the ideal background requirements, they are successful fashion entrepreneurs and the mentioned background factors should not be seen as indispensable prerequisites.

Six desirable attributes for owners of small businesses were selected from the literature for investigation in this study. The extent to which the fashion business owners possessed these attributes was ranked in the following order: Leadership; Commitment and determination; Motivation to excel; Creativity, self-reliance and ability to adapt; Customer service; Tolerance of risk, ambiguity and uncertainty. All the attributes except one, namely tolerance of risk, ambiguity and uncertainty were scored quite high, indicating that the sample were well equipped to run a successful business with reference to these entrepreneurial requirements. It does seem, though as if there is a need for education in the area of tolerance of risk, ambiguity and uncertainty.

The expert levels of specific skills and knowledge which the fashion business owners in this study possessed and lacked were investigated. The levels of selected skills, which they possessed were ranked in the following order: Manufacturing; Manual design process; Communication; Financial management; Equipment technology; Business management; Marketing; Electronic technology; National product distribution; Computer aided design and Exporting skills. Most skills were rated high to medium, but the last four mentioned above were rated low. Regarding the lack of skills, the biggest need seemed to be in the area of drawing and illustration.

With reference to the level of relevant entrepreneurial knowledge of various aspects, nearly all of these respondents indicated that they were most knowledgeable about materials which are used in fashion manufacturing processes, followed by equipment used and knowledge about their competitors. Knowledge about legal aspects was a serious shortcoming, followed by computer technology, marketing and the clothing industry.

Regarding the start-up, nearly all of the small fashion businesses in this study had been started at least two years ago, but about three-quarters were older than four years, the owners were sole proprietors working from home or adjacent premises, and most started their businesses with own funds. With reference to the functioning of the businesses, most of these entrepreneurs ran their businesses as a sole career, while a third of them had another job as well. The profitability of the businesses seemed moderate and two thirds of them estimated their assets to be up to R50 000. Their annual turnover and net income displayed a similar picture, indicating that these entrepreneurs did not make a very large profit. Most businesses employed one to four people, of which about half were family members. Advertising did not seem to be important to the entrepreneurs in this study, as by far the majority of them relied on the word-of-mouth method to become known. Most of them mentioned quality of their products as the most important competitive advantages of their business, followed by customer focus, integrity and innovation.

More than half of the fashion business owners in this study have Internet facilities, while nearly a third of them make use of the e-mail facility. Relatively few of them have websites, which implies that these respondents should develop and improve their computer and information technology skills and knowledge in order to be more competitive in the technological fashion world.

5.3 LIMITATIONS OF THE STUDY

The most serious limitation of this study is the fact that the sample was relatively small, not random in nature, and limited to the area of the Vaal Region, consequently

the research findings cannot be generalised to all fashion entrepreneurs and their businesses in South Africa. It should be kept in mind that a convenience sample was used and only voluntary respondents that could be reached, took part in the study. For this reason, it is questionable whether the sample was representative even of the Vaal Region area.

Another limitation comprises the way in which the data was gathered. Although the respondents were contacted personally to obtain their consent to participate in the study and the questionnaires were delivered by hand, they could not all be reached during the collection stage and all the questionnaires were not received back, which lowered the response rate. They were also not under supervision when completing the questionnaire, so problems with the questions could not be clarified.

Population groups in the sample were not randomly representative of all the population groups in South Africa, so the findings may be biased regarding cultural influences and situations.

Due to the fact that there are no studies regarding fashion entrepreneurship in South Africa, the findings of the current study could not be compared to other findings of similar studies in South Africa.

5.4 RECOMMENDATIONS FOR FUTURE RESEARCH

This study can serve as a basis for future research on ways and organisations through which especially young and up-coming, but also existing fashion entrepreneurs can be assisted. The Cape Town Fashion Council (CTFC) was established to empower and help individuals to grow their fashion businesses into profitable and sustainable businesses which could eventually compete in the global market. There is, however, no certainty as to whether this fashion council benefits and meets the needs of fashion entrepreneurs, and to what extent it succeeds in serving as a prestigious platform to expose young up-coming fashion designers or entrepreneurs. The

effectiveness and efficiency of this and similar bodies can be investigated, with the aim of making recommendations regarding their functioning.

The role of events such as the Design Indaba Expo and the Sanlam South African Fashion Week in the advancement of the interests of fashion entrepreneurs can also be investigated.

5.5 RECOMMENDATIONS FOR EDUCATION AND TRAINING

It is recommended that all tertiary institutions involved with the education and training of students who intend to find an entrepreneurial career in the fashion field, should identify curriculum contents required to prepare these students to start and run a successful business. This study revealed that there was an urgent need for more extensive education and training in the following areas:

- Formal business training, including topics such as business management, marketing, including promotion and advertising, financial planning and management, and drafting of a business plan, as relatively few entrepreneurs had been educated in these areas.
- Education and training regarding personal attributes which an entrepreneur should possess. The fashion entrepreneurs in this study seemed to be in need of training in the area of tolerance of risk, ambiguity and uncertainty.
- Skills and knowledge regarding information technology, including the use of the Internet, and e-mail, electronic networking, creation and updating of websites, development of e-commerce facilities, and expertise in import and export practices.
- Drawing and illustration skills.

- The advantages as well as the use of industrial technological equipment.

Government support for research which would benefit fashion entrepreneurship is needed.

5.6 RECOMMENDATIONS REGARDING CAREER DEVELOPMENT OF THE FASHION BUSINESS OWNERS

Although national professional bodies such as the CTFC already exist and benefit young and up-coming entrepreneurs, a more accessible system of regional professional bodies should be established that can serve as a platform for beginning and established entrepreneurs and through which even small fashion business owners can get together on a regular basis and discuss matters of communal interest such as needs and problems, including information on latest materials, technological equipment and methodology.

A South African orientated entrepreneurial fashion magazine should be available to discuss various matters of interest and publish information on entrepreneurial activities, supplies, latest technological methods and the like.

Entrepreneurial fashion websites should be created to benefit South African fashion entrepreneurs.

The South African government should foster and support fashion entrepreneurial development and growth by providing sufficient financing sources, strong educational and training facilities, equal opportunities, low taxes and tax incentives, free trade and business zones.

Public-private partnership and support from the public must be encouraged by the provincial and local government bodies, as these conditions can advance economic growth, an improved standard of living, significant job creation, substantial profits and return of revenue to the government.

5.7 CONCLUDING REMARKS

The fashion business industry is becoming a dynamic and creative force in the global economy and also influences societies by enriching the lives of people. This makes small businesses the centre of modern society. In South Africa, the fashion market serves a dynamic and unique environment that changes constantly and becomes more and more complex and diverse. These changes in customer demands and expectations allow small fashion businesses, which are able to produce small quantities of high quality garments with a shorter product life cycle, grow into sustainable and successful businesses. Supporting strategies should be targeted and improved to address the needs of this growing fashion industry segment.

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QUESTIONNAIRE

**THE PURPOSE OF THIS QUESTIONNAIRE IS TO INVESTIGATE
SELECTED ASPECTS OF THE MODUS OPERANDI OF
ENTREPRENEURS IN FASHION BUSINESSES IN THE VAAL REGION.**

To all respondents

My name is Arrie Willem van Wyk and I am currently conducting research into various aspects pertaining to the modus operandi of fashion entrepreneurs and their businesses in the Vaal Region. The study will contribute to recommendations for education, training and career development of potential and existing entrepreneurs in the fashion world. We need your support and contribution to be able to complete this study. Your participation is **voluntary** and information will be handled anonymously and with **confidentiality**. The numbers on the questionnaire are solely for administrative purposes and will not be used for identification. We ask you to fill in your telephone number(s) and e-mail address, should you be interested in receiving a copy of the results of the study. This is optional.

Please read the following questionnaire and complete the questions asked. It will not take more than 30 minutes of your time. Please make sure you answer **all** the questions. There are no right or wrong answers.

We trust that the research will benefit you as a fashion entrepreneur.

Thank you for your co-operation and support.

Mr. A.W. van Wyk

Lecturer: Fashion

Supervisor:

Prof A. M. Van Aardt

Vaal University of Technology

Questionnaire no.

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TELEPHONE NUMBER:

Home _____

Cell _____

E-MAIL ADDRESS _____

For office use

1. Gender	Male		1
	Female		2
2. Age	18 – 25		1
	26 – 35		2
	36 – 45		3
	46 – 55		4
	55 +		5
3. Marital status	Never married		1
	Married		2
	Divorced		3
	Widow/Widower		4
	Living together		5
4. How many children do you have in the various age groups?	Age group		Number
	4.1	0 – 6 years	
	4.2	7 – 13 years	
	4.3	14 – 18 years	
	4.4	19 +	
5. Level of education	Up to Grade 12		1
	Certificate		2
	Diploma		3
	Degree		4
	Other (specify)		5
6. Kind of business exposure during childhood, if any	Own venture at home		1
	Instigated by school		2
	Other (specify)		3

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7.1 Did you have any formal business training? Please specify type.
7.2 Please specify duration of above training:months.

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8. What level of expertise do you have in the following types of fashion entrepreneurial skills and knowledge?

Use the following scale:

- 4 = high
- 3 = medium
- 2 = low
- 1 = very low



A. SKILLS	4	3	2	1
8.1 Manual design process				
8.2 Computer aided design				
8.3 Manufacturing				
8.4 Marketing				
8.5 Communication (small and large groups)				
8.6 Technology: electronic (computers)				
8.7 Technology: equipment				
8.8 Business management				
8.9 Financial management				
8.10 International orientation (import/export)				
8.11 National product distribution				
8.12 Other (specify)				
B. KNOWLEDGE	4	3	2	1
8.13 Knowledge of competitors				
8.14 Bookkeeping systems				
8.15 Expert knowledge in- and outside the enterprise				

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8.16 Legal aspects				
8.17 Materials used in the fashion industry				
8.18 Labour aspects				
8.19 Equipment (types and functioning)				
8.20 Other (specify)				
9.1 What skills do you lack due to insufficient training? Please specify.				
9.2 What knowledge do you lack due to insufficient training? Please specify.				
10. What was the order of your birth?	Only child			1
	Youngest child			2
	Middle child			3
	Oldest child			4
11. Was one or were both of your parents an entrepreneur?	Yes			1
	No			2
12. In which income group did your parents fall during your childhood?	High			1
	Middle			2
	Low			3

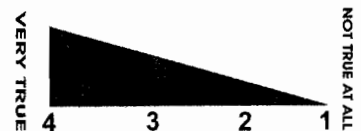
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SECTION 2: ATTRIBUTES

The following statements investigate entrepreneurial attributes. Please indicate the extent to which the following statements are true of you.

Use the following scale:

- 4 = very true
- 3 = quite true
- 2 = somewhat true
- 1 = not true at all



COMMITMENT & DETERMINATION	4	3	2	1
13. I am decisive and am able to commit quickly.				
14. I am disciplined.				
15. I demonstrate persistence in solving problems.				
16. I am willing to make personal sacrifices.				
17. I am fully engaged in my business.				
LEADERSHIP	4	3	2	1
18. I am a self-starter that takes the initiative.				
19. I am a team builder and can inspire others.				
20. I treat others as I want to be treated.				
21. I share the wealth with all the people who helped to create it.				
22. I have integrity and am reliable; build trust; practice fairness.				
23. I work well in a team.				
24. I am a superior teacher.				
25. I am patient.				
26. I can keep to a strict time schedule.				
27. I am interpersonally supportive (versus competitive).				
CUSTOMER SERVICE	4	3	2	1
28. I have intimate knowledge of customers' needs.				
29. I am market driven.				
30. I strive towards excellent value creation and enhancement.				
TOLERANCE OF RISK, AMBIGUITY AND UNCERTAINTY	4	3	2	1
31. I am a calculated risk taker.				
32. I am a risk sharer.				
33. I manage paradoxes and contradictions.				
34. I have good tolerance for uncertainty and lack of structure.				
35. I have good tolerance for stress and conflict.				
36. I have the ability to resolve problems and integrate solutions.				
CREATIVITY, SELF-RELIANCE AND ABILITY TO ADAPT	4	3	2	1
37. I am nonconventional, open minded and a lateral thinker.				
38. I am comfortable with change.				
39. I have the ability to adapt and am a creative problem solver.				
40. I have the ability to learn quickly.				

41. I don't fear making mistakes.				
42. I have the ability to conceptualise and visualise details.				
MOTIVATION TO EXCEL	4	3	2	1
43. I have a goal-and-result orientation; set high standards but realistic goals.				
44. I have a drive to achieve and grow.				
45. I have a low need for status and power.				
46. I am aware of my own weaknesses and strengths.				
47. I have perspective.				

SECTION 3: BUSINESS

The following questions investigate entrepreneurial business activity. Please make a cross opposite the applicable answer.

48. How long has your business been operating?	18 months – 2 years		1
	2 ⁺ – 3 years		2
	3 ⁺ – 4 years		3
	Longer than 4 years		4
49. Form of business.	Sole proprietor		1
	Partnership		2
	Close corporation		3
	Company		4
50. Place of business.	Family home		1
	Adjacent to family home		2
	Premises away from the family home		3
51. Source of funds used to start the business.	Own funds/savings		1
	Retrenchment package		2
	Pension		3
	Local money lender		4
	Loan from family or friends		5
	Loan from commercial bank		6
52. Have you ever tried to get a loan?	Yes		1
	No		2
53.1 If yes, were you successful in getting the finance?	Yes		1
	No		2

53.2 If no, why not?			
54. Is this business your sole career, or do you have another job/career which provides an income?	Sole career		1
	Another job as well		2
55. Is the business profitable?	Very profitable		1
	Reasonably profitable		2
	Break even		3
	Not profitable		4
56. How many people work in the business? (Including yourself)	1 person		1
	2 – 4 persons		2
	5 – 10 persons		3
	11 – 50 persons		4
57. How many of the above are family members?	1 – 2		1
	3 – 4		2
	5 +		3
58. What are the assets held by the business? (e.g. equipment, stock, furniture, special building, etc.)	Up to R20 000		1
	R21 000 – R50 000		2
	R51 000 – R100 000		3
	R101 000 – R500 000		4
	More than R500 000		5
59.1 What is the annual turnover (sales figures) of the business per year?	Up to R20 000		1
	R21 000 – R50 000		2
	R51 000- R100 000		3
	R101 000 – R200 000		4
	More than R200 000		5
59.2 What is the annual net income of your business?	R0 – R25 000		1
	R25 001 – R50 000		2
	R50 001 – R100 000		3
	More than R100 000		4
60. How mainly are the products of the business being advertised?	Word of mouth		1
	Advertising		2
	Publicity/marketing		3
	Personal sales		4

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	4	3	2	1
61. How important are the following aspects when considering the competitive advantages of your business?	Very important	Important	Less important	Not important
61.1 Customer focus				
61.2 Integrity				
61.3 Innovation				
61.4 Low-cost production				
61.5 Quality performance				

SECTION 4: TECHNOLOGY

62. Which of the following technological items of equipment do you have in your business?	YES 1	NO 2
62.1 Buttonhole machine		
62.2 Automatic hemmer		
62.3 Industrial overlocker		
62.4 Industrial sewing machines		
62.5 Fusing equipment		
62.6 Pressing equipment		
62.7 Other (specify)		
63. Do you have a website?		
64. If yes, do you regularly update your website?		
65. Do you have access to the internet?		
66. Do you have facilities for electronic commerce?		
67. Do you use e-mail for business purposes?		

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