



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

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AUGUST - DECEMBER 2018 TRIMESTER

FACULTY OF COMMERCE

DEPARTMENT OF MARKETING AND MANAGEMENT

REGULAR PROGRAMME

CMM 321: ENTREPRENEURSHIP

Date: DECEMBER 2018

Duration: 2 Hours

INSTRUCTIONS: Answer Question ONE and ANY OTHER TWO Questions

Read the case of *Ms. Bethlehem Tilahun Alemu* and answer the following questions.

ETHIOPIAN SHOE MAKER SETS THE PACE IN CRAFT

Eight year ago Ethiopia's Bethlehem Tilahun Alemu decided to sell cool colourful shoes made of recycled materials, including car tyres. The company which she started sole rebels would soon become the plants first fair trade green footwear firm certified by the world Fair Trade Organization (WFTO) and is now one of Ethiopia's most thriving businesses. At the moment it sells its production in 55 countries, mostly through individual retailers, and its biggest markets are in Austria, Canada, Japan, Switzerland and the United states. These shoes are also sold online.

The platform for sole Rebels is to build our own brand from here and sell outside. That's the models that we follow" say Alemu. It all started in Zenabwork, the poor community on the outskirts of Addis Ababa where she was born. My mum and my father have been working hard I grew up watching them." She told the BBC series African dream. My father is an electrician and my mother works in a hospital. They have really been building us to work with whatever we have so I watched my parents they are a model for me to follow in their steps.

1. Having trained as an accountant she decided to venture into the shoemaking business when she realized that many talented artisans in her neighborhood

- were unemployed. “They had skills but they didn’t have any opportunities to work” she said.
2. She also knew that there was an appetite abroad for eco-sustainable products. “The idea of \making things by hand was here and using local materials by local people. Therefore, the platform for sole Rebels is to build our own brand from here and sell outside. That is the model that we follow,” she explained. She started the company with an investment of less than \$1000 put together by her immediate family.

According to the World Fair Trade Organization (WFTO) sole Rebels is the plants first fair trade green footwear company. At the moment, she has 75 full time employees in the factory and more than 200 local suppliers of raw materials. They use old tyres, natural fibers and hand-made fabrics, all locally sourced to manufacture sandals and other shoes which are inspired in the traditional slate and Barabasso tyre footwear once worn by Ethiopian rebels. Their designs, however are modern and seem take into account the trends followed by consumers in the West. They make around 800 pairs of shoes a day which are sold at a price of on average between \$ 35 and \$95. “We are doing well. We are trying to do \$ 2 million dollars this year in 2015, we are planning to do \$20m, so that why we are working hard and we are trying to expand our working facility. Mrs. Bethlehem said. The demand is here. It’s us to take that advantage and to make it happen “she added. But this does not mean that they will do business with any retailer abroad. “We are really selective because we need this brand to stand out for Ethiopia and African so that’s why we are taking our time,” she said.

She also complained that sometimes foreign companies try to get their products at unfair prices. Since we are a fair trade organization people want to buy fair trade shoes from us but they want to buy cheap prices that I don’t understand. Being in fair trade is paying a proper amount of money for the producer. It is not about me taking a lot of money but for the producer who are the people who need it and do the actual work”. Currently, her employees are paid four times more than Ethiopia’s average wage.

Required:

- a) Analyze the entrepreneurial traits of Ms. Bethlehem Tilahun Alemu **(10 marks)**
 - b) What entrepreneurial lessons can you learn from the case? **(10 marks)**
 - c) Analyze the factors that influenced Ms. Bethlehem Tilahun Alemu to become an entrepreneur **(10 marks)**
- Q2. a) Discuss the extent to which entrepreneurs are marketers **(10 marks)**
- b) Explain the managerial functions of entrepreneurs **(10 marks)**
- Q3. a) Explain the following types of entrepreneurship:

- i) Minority entrepreneurship (4 marks)
 - ii) Social entrepreneurship (4 marks)
 - iii) Family entrepreneurship (4 marks)
- b) Discuss the challenges facing small and micro enterprises in Africa (8 marks)
- Q4. a) Critically analyze the Schumpeterian school of thought which states that ***“entrepreneurship is a process of creative destruction whereby new products, new forms of commerce, and new technology displace the old way of doing business.”*** (10 marks)
- b) Explain the personal and psychological entrepreneurship determinants (10 marks)

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