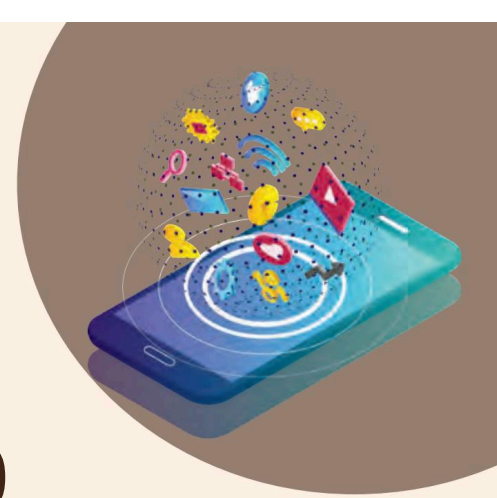


12



Entrepreneurship

Business is an economic activity that involves the regular and ongoing production and distribution of goods and services to meet consumer demand. Businesses can be for-profit corporations or charitable institutions.

It involves the continuous and regular distribution of goods and services to satisfy the needs and demands of society. But occasionally, we discover a gap between what is needed and what is accessible and available. These gaps provide opportunities for those who are ready and prepared to take a chance and fill the gaps by providing the necessary products and services. They take the risk and mould the opportunity to their advantage. These individuals are entrepreneurs.



Did You Know?

The term “entrepreneur” was first coined in 1755 by economist Richard Cantillon in his book “Essay on the Nature of Trade in General”.

Understanding Entrepreneurship

Entrepreneurs are independent workers or a group of individuals with unique business ideas and the courage to take measured risks. They have the capability to transform their ideas into potential profits. **Entrepreneurship** is the process of creating a business plan, taking a risk to start a company, or managing it innovatively to serve customers and turn into profit.

The Rise of OYO Rooms

We all know Ritesh Agarwal, the founder and CEO of OYO Rooms, a hospitality and hotel aggregator company. OYO has rapidly expanded internationally and is one of the largest hotel chains in India. Ritesh recognised the gap that many budget hotels and guesthouses in India lacked consistency in terms of quality, cleanliness, and amenities. He wanted to standardise these accommodations. He realised the need to provide budget-friendly accommodation to a wide range of travellers by streamlining the ease of booking.

His entrepreneurial journey began at a young age when he started a budget accommodation platform called Oravel Stays in 2012. Oravel Stays eventually evolved into OYO Rooms in 2013. OYO, short for “On Your Own”, aimed to provide standardised and affordable accommodation to travellers in India. Under Ritesh Agarwal’s leadership, OYO Rooms rapidly expanded its presence not only in India but also internationally, becoming one of the world’s largest and fastest-growing hotel chains.

OYO diversified its services to include a range of hospitality solutions, including OYO Townhouse, OYO Home, and OYO Workspaces, catering to various customer needs beyond traditional hotel stays.

His innovative approach and dedication to improving the hospitality industry in India and beyond contributed to the rapid growth and success of OYO Rooms.



Entrepreneurship Development

Entrepreneurship development refers to the process of enhancing and honing the knowledge, skills, and resources of individuals to create and manage successful businesses or ventures. It involves activities and initiatives intended to foster entrepreneurial ability and support individuals in starting, growing, and managing their own businesses.

Stages in Entrepreneurship Development

Entrepreneurship development includes several stages, from nurturing the entrepreneurial idea to supporting the growth of startups and established businesses.

- 1. Interest and Awareness:** This stage helps generate interest in entrepreneurship among individuals. It may include educational programs, awareness campaigns, and exposure to successful entrepreneurs to inspire potential future entrepreneurs.
- 2. Education and Training:** Aspiring entrepreneurs often need education and training to develop the necessary knowledge and skills. This stage includes entrepreneurship courses, workshops, and mentoring to help individuals understand the basics of starting and managing a business.
- 3. Ideation and Evaluation:** In this stage, individuals generate business ideas, often by identifying unmet needs or demands and treating them as opportunities in the market. They conduct market studies and analyses to understand the scope of their ideas.
- 4. Business Planning:** After the ideation phase, entrepreneurs develop a detailed business plan. This plan outlines the business's goals, strategies, financial projections, and operational details.
- 5. Resource Acquisition:** Entrepreneurs need access to resources to turn their plans into reality. This stage involves securing funding, finding suitable locations, acquiring equipment, and recruiting the necessary talent.
- 6. Startup Launch:** This phase comprises the actual launch of the business, where the entrepreneur brings the product or service to the market and starts operations.
- 7. Growth and Expanding:** The next stage is focused on growth and scaling. Entrepreneurs seek to expand their customer base, reach new markets, and increase revenue.
- 8. Mentorship and Support:** Entrepreneurs often pursue guidance from experienced mentors, business advisors, or industry experts to sail through the challenges and make informed decisions.
- 9. Networking and Partnerships:** Building a network of contacts is essential for entrepreneurs. They connect with potential partners, customers, investors, and other businesses that can help their ventures grow.
- 10. Innovation and Adaptation:** As the business evolves, entrepreneurs need to continually innovate and adapt to changing market needs, emerging technologies, and customer choices.

These stages are not always linear, and entrepreneurs may cycle through them repeatedly as they expand and refine their businesses.

Characteristics of Entrepreneurship

There are specific qualities that define successful entrepreneurship.

- 1. Ability to take a risk:** Any new business initiative carries a considerable chance of failure. As a result, being a successful entrepreneur requires the zeal and ability to weigh the pros and cons of taking risks. Only then will the entrepreneur be able to take the desired risk.

Example: Vijay Shekhar Sharma, the founder of Paytm, ventured into the digital payment and mobile commerce industry when it was relatively new in India and involved a high level of risk.



Vijay Shekhar Sharma

2. **Innovation:** The entrepreneur's idea should be an innovative and pathbreaking approach towards the opportunity identified. This will increase the chance of making a good profit.

Example: Bhavish Aggarwal is the co-founder and CEO of Ola, one of India's leading ride-sharing and mobility companies. Ola has been at the forefront of innovation in the transportation and mobility sector, by venturing into electric vehicles (Ola Electric) and unique services like Ola Bike. Bhavish Aggarwal is an exemplary and innovative entrepreneur in the Indian startup ecosystem.

3. **Leadership Skills:** Entrepreneurs need to lead their teams and inspire others to share their vision. Effective leadership and communication skills are essential.

Example: Falguni Nayar is the founder and CEO of Nykaa, India's leading e-commerce platform for beauty and cosmetics. She has shown great leadership in building Nykaa into a successful and rapidly growing brand. Under her leadership, Nykaa expanded its product offerings and entered offline retail stores, becoming a dominant player in the beauty and cosmetics industry in India.

4. **Open-Mindedness:** Open-mindedness is an essential quality for entrepreneurs as it allows them to be receptive to new ideas, feedback, and different perspectives. They see every event and situation as a business opportunity. For instance, during demonetization, there were companies that took advantage of the circumstances and increased their business. Such companies also understood the seriousness of the situation and improved the necessity for online transactions.

Example: The founders of Snapdeal, Kunal Bahl and Rohit Bansal, recognised the potential of e-commerce growth during demonetization. They worked on offering a wide range of products online, enabling people to make purchases without using cash.

5. **Resilience and Persistence:** Entrepreneurs bounce back from setbacks and failures. Entrepreneurship is full of ups and downs, and the ability to persevere in the face of adversity is crucial.

Example: Amit Agarwal, the Global Senior Vice President and Country Head of Amazon India, is known for his resilience and persistence. When Amazon entered the Indian e-commerce market, it faced fierce competition and regulatory challenges. Amazon India has maintained a strong emphasis on customer satisfaction, even in the face of intense competition.

6. **Vision:** Successful entrepreneurs have a clear vision for their businesses. They can see opportunities and future possibilities.

Example: Dr. K. Radhakrishnan was the former Chairman of the Indian Space Research Organisation (ISRO). Dr. Radhakrishnan's visionary leadership played a pivotal role in India's space exploration endeavours, including the Mars Orbiter Mission (Mangalyaan), which was a remarkable achievement.

7. **Adaptability:** Successful entrepreneurs adapt to changing circumstances. They are flexible and open to change. They can pivot when necessary and adjust their strategies in response to changing market conditions.

Example: Mukesh Bansal is the co-founder of Cure.fit. Mukesh Bansal has demonstrated adaptability by successfully transitioning from the e-commerce industry to the health and fitness sector.



Bhavish Aggarwal



Falguni Nayar



Kunal Bahl



Rohit Bansal



Amit Agarwal



Dr. K. Radhakrishnan



Mukesh Bansal

Role of Entrepreneurship

Entrepreneurship and society share a dynamic and mutually influential relationship. Entrepreneurship, the process of identifying, creating, and pursuing opportunities, has a far-reaching impact on various facets of society. It contributes to the economic growth of the country, leading to development and growth in society by generating employment opportunities.

Entrepreneurship benefits society in three ways: economic, psychological, and social.

Think and Tell

Think and tell the name of an entrepreneur you know about. What qualities of the person would you like to have?

Economic

1. **Creation of Jobs:** Entrepreneurship is an important way to create jobs. By starting a new business, entrepreneurs create massive opportunities for themselves and others, which results in a decrease in unemployment.
2. **Optimal Use of Resources:** One of the greatest advantages of entrepreneurship is making use of natural resources and using them judiciously.
3. **Managing Economic Independence:** Entrepreneurship offers economic independence, and by creating new businesses or any small businesses, they take care of the economic health of the country.
4. **Adds to National Income:** Entrepreneurs drive economic growth by identifying and exploiting opportunities, introducing innovative products and services, and contributing to increased productivity. They contribute to national income by earning revenue and paying taxes.

Psychological

1. **Boosts Confidence:** The entrepreneurs are the change agents. When their innovative ideas are well accepted, they help boost the confidence of the people involved in the process.
2. **Instils Drive for Achievement:** Entrepreneurs are driven by the passion to achieve and innovate, thereby bringing about changes and development in society.

Social

1. **Raising the Standard of Living:** Raising the standard of living is one of entrepreneurship's most important contributions to economic growth. It not only fosters wealth creation by creating opportunities for new jobs and enterprises, but it also increases the scope of employment for both individuals and communities.
2. **Creates Social Change:** Social change denotes significant alterations in societal norms, behaviour, or structures. Entrepreneurs drive social change by introducing innovations that challenge existing practices.
3. **Community Development:** Community development refers to initiatives aimed at enhancing the well-being of a local community. Entrepreneurs contribute by supporting local causes, schools, and charities.

Rewards for Entrepreneurship

Entrepreneurship offers a range of potential rewards, both intrinsic and extrinsic, that can motivate individuals to start and grow their own businesses.

1. **Financial Rewards:** Successful businesses can generate profits and provide entrepreneurs with substantial income and wealth.
2. **Independence and Autonomy:** Entrepreneurship allows individuals to be their own boss. They have the freedom to make decisions, set their own direction, and have control over their work.

3. **Creativity and Innovation:** Entrepreneurs have the opportunity to bring their creative ideas to life and innovate in various industries. This freedom to innovate and create can be personally fulfilling.
4. **Personal Growth:** Running a business often requires individuals to continuously learn, adapt, and grow. Entrepreneurship can lead to personal development, improved problem-solving skills, and increased self-confidence.
5. **Impact and Fulfilment:** Many entrepreneurs are motivated by the desire to have a positive impact on their communities, industries, or society as a whole. A sense of purpose and fulfilment can be a significant reward.
6. **Recognition and Reputation:** Successful entrepreneurs often gain recognition and build a strong reputation in their industries. This recognition can open doors to new opportunities and partnerships.
7. **Building of Legacy:** Entrepreneurs have the potential to leave a lasting legacy, whether it's through their innovative products or services, the businesses they build, or the positive impact they have on their communities.

Error Alert!

It is a common misconception that entrepreneurs have no bosses. But the truth is, entrepreneurs are answerable to their customers, investors, and sometimes even to their competitors.

Activity Time

Activity 1: Entrepreneurship vs Wages

(Pair Work)

In pairs, discuss and elucidate the advantage of entrepreneurship over wages. You may list your thoughts in a presentable manner.

Activity 2: Entrepreneurial Quality and Responsibility

(Group Work)

In groups of 4–5 students, discuss the characteristics of a good entrepreneur and the role that they play in the economy and society.

Activity 3: Skills Set of My Entrepreneur

(Pair Work)

In pairs, choose an Indian entrepreneur you wish to research. Find out and present the core skill displayed by the entrepreneur you have chosen.

Activity 4: A Special Visit

(Whole Grade)

Invite an entrepreneur to your school to share their journey, experiences, and success stories.

Chapter Checkup

A Select the correct option.

- 1 What do you think entrepreneurship is?
 - a An entrepreneur is a person who creates a new business and is self-employed
 - b An entrepreneur is a person who takes risks and brings new ideas
 - c Both a and b
 - d None of the above

- 2 Which of the following is the role and benefit of being an entrepreneur?
 - a Contributing to the development of the economy
 - b Adding to new ideas
 - c Creating a business plan
 - d Making minor adjustments
- 3 Which of the following is not a reward for entrepreneurship?
 - a Earning a profit
 - b Dissatisfaction
 - c Personal growth
 - d Confidence and motivation

B Fill in the blanks with the most suitable words.

- 1 Businesses are an activity.
- 2 is an important way of creating jobs.
- 3 Rani has left her organisation and is planning to start a bakery business. She is an
- 4 A successful entrepreneur possesses qualities, which help them guide and navigate the business through challenges.

C State whether the following is *True* or *False*. Correct the statements that are false.

- 1 Open-mindedness and innovation are characteristics of entrepreneurship.
- 2 Entrepreneurship's most important contribution to the society and economy is to not raise the standard of living.
- 3 Entrepreneurs don't have to know and understand their products properly.
- 4 Entrepreneurs get demotivated by the rewards and recognition that they get from society.

D Answer the following questions. (Solved)

Q1. List any 4 characteristics of entrepreneurship.

A1. There are specific qualities that define successful entrepreneurship. Below are a few of them.

- **Ability to take a risk:** Any new business initiative carries a considerable chance of failure. As a result, being a successful entrepreneur requires the bravery and ability to weigh the pros and cons of taking chances. Only then will the entrepreneur be able to take the required risk.
- **Innovation:** To come up with fresh ideas, launch a business, and make money from it, one must be very innovative.
- **Leadership quality:** The business owner needs to have a distinct vision for his new endeavour to succeed. However, a lot of resources and hard work go into making the vision a reality.
- **Open-mindedness:** Every situation in business may be turned into an opportunity and can be utilised to a company's advantage.

Q2. Explain in your own words what entrepreneurship is and describe any two roles of entrepreneurship in detail.

A2. An entrepreneur is an independent worker who owns a unique business idea and has the courage to take calculated risks. Entrepreneurship is the process of creating a business plan, starting a company, or managing it innovatively to serve customers and turn a profit.

Below are two roles of entrepreneurship.

Raising the standard of living: Raising the standard of living is one of entrepreneurship's most important contributions to economic growth. It not only fosters wealth creation by giving opportunities for new jobs and enterprises, but it also increases the scope of employment and better living for both individuals and communities.

Social Change: Entrepreneurs have the ability to bring about changes and innovation in society. Their innovative ideas may bring about social reform.

Q3. Nagma is the owner of a successfully operating bakery. She has been in the business for the past 5 years and is not getting opportunities for growth and expansion. But before that, she feels the need to hone and develop her entrepreneurial skills. She is confused as to what she should do. Suggest to her what should she do.

A3. Entrepreneurship development includes several stages, from nurturing the entrepreneurial idea to supporting the growth of startups and established businesses. These stages are not always linear, and entrepreneurs may cycle through them repeatedly as they expand and refine their businesses.

Since Nagma is looking for growth and expansion of her business, she can undergo education and training through webinars, workshops and seminars.

She can also pursue guidance from experienced mentors, business advisors, or industry experts to sail through the challenges and make informed decisions.

Answer Key

A 1. c 2. a 3. b

B 1. Economic 2. Entrepreneurship 3. Entrepreneur 4. Leadership

C 1. True.

2. False. Entrepreneurship's most important contribution to society and economy is to raise the standard of living.

3. False. Entrepreneurs need to know and understand their products properly.

4. False. Entrepreneurs are motivated by the rewards and recognition that they get from society.

Unit Reflection

Key Terms

Business: A business is an organised body or activity that engages in commercial, industrial, or professional enterprise with the primary goal of generating profit.

- **Service business:** A service business is a type of business activity that primarily offers services that are not tangible in nature. They cannot be touched like physical goods but are experienced by the customers.
- **Manufacturing business:** A manufacturing business is a type of enterprise that produces goods through various processes, often involving raw materials, labour, and machinery.
- **Merchandising business:** A merchandising business is the type of enterprise that buys products or goods from manufacturers at a wholesale rate and sells them to consumers or other businesses at the retail price.
- **Hybrid business:** A hybrid business is an enterprise that combines elements from the three business activities, i.e., service, manufacturing, and merchandising, to create a unique and adaptable approach to achieving its goals.

Enterprise: An enterprise means a business, project, or endeavour, often involving activities aimed at achieving specific goals, growth, and success.

Entrepreneur: Entrepreneurs are independent workers or a group of individuals with unique business ideas and the courage to take measured risks. They have the capability to transform their ideas into potential profits.

Entrepreneurship: It is the process of creating a business plan, taking a risk to start a company, or managing it innovatively to serve customers and turn it into profit.

Entrepreneurship development: Entrepreneurship development refers to the process of enhancing and honing the knowledge, skills, and resources of individuals to create and manage successful businesses or ventures.

The four main business organisations, based on ownership, are: sole proprietorship, partnership, corporation, and co-operative.

- **Sole proprietorship:** A sole proprietorship is a straightforward business structure where an individual single-handedly owns and manages the entire enterprise.
- **Partnership:** When two or more people or entities work together to jointly own and run a business enterprise, it is known as a partnership business.
- **Corporation:** A corporation is a legal business entity that is separate from its owners, known as shareholders. Shareholders hold shares of stock in the company, which represent ownership stakes in the corporation, and shareholders may buy or sell their shares, easily transferring ownership of the business.
 - **Co-operative:** The co-operative type of business is a distinct type of business where the members who use its products or services also hold ownership stakes and actively participate in its governance.

Things to Remember

- Entrepreneurs make a substantial impact on our society through the generation of employment, the provision of products and services, and an increase in our country's national income.
- There are four categories of businesses based on their activities: service, manufacturing, hybrid, and merchandising.
- Entrepreneurship development includes several stages, from nurturing the entrepreneurial idea to supporting the growth of startups and established businesses, such as interest and awareness; education and training; ideation and evaluation; business planning; resource acquisition; startup launch; growth and expansion; mentorship and support; networking and partnerships; and innovation and adaptation.
- A successful entrepreneur should take risks, innovate, be open-minded, resilient, persistent, have a vision, and be adaptive to the changing market conditions.
- Entrepreneurship and society share a dynamic and mutually influential relationship.
- Entrepreneurship benefits society in three ways: economically, psychologically, and socially.
- Entrepreneurship offers a range of potential rewards, both intrinsic and extrinsic, that can motivate individuals to start and grow their own businesses, like financial rewards, independence and autonomy, creativity and innovation, personal growth, impact and fulfilment, recognition and reputation, and allows the entrepreneur to build his own legacy.

Test Your Knowledge

A. Select the correct option.

1. An entrepreneur is a person who
 - a. recognises potential opportunities ☐
 - b. accepts uncertainties about successes and failures ☐
 - c. manages enterprises to fulfil the needs of the market ☐
 - d. always looks for an easy way out ☐
2. What is NOT the role of an entrepreneur?
 - a. creation of jobs ☐
 - b. management of economic independence ☐
 - c. zero contribution to the national income ☐
 - d. optimal use of resources ☐
3. Which of the following is not a service business?

a. repair shops	<input type="checkbox"/>	b. online shopping platforms	<input type="checkbox"/>
c. coaching institutes	<input type="checkbox"/>	d. salon	<input type="checkbox"/>
4. In what way does entrepreneurship affect society?

a. economic	<input type="checkbox"/>	b. psychological	<input type="checkbox"/>
c. social	<input type="checkbox"/>	d. all of these	<input type="checkbox"/>
5. Which of the following is not a stage in the process of entrepreneurial development?

a. interest and awareness	<input type="checkbox"/>	b. no resource acquisition	<input type="checkbox"/>
c. startup launch	<input type="checkbox"/>	d. growth and expansion	<input type="checkbox"/>

B. Fill in the blanks with the most suitable words.

1. A merchandising business buys products or goods from manufacturers at a rate.
2. is the process of creating a business plan, taking a risk to start a company, or managing it innovatively to serve customers and turn it into profit.
3. A is an example of a hybrid business type.
4. Entrepreneurship and society share a dynamic and mutually relationship.
5. An can be a person from any field who pursues his passion and uses it to transform his skill into an enterprise.

C. State whether the following is *True* or *False*. Correct the statements that are false.

1. A partnership is a straightforward business structure where an individual single-handedly owns and manages the entire enterprise.
2. Entrepreneurs have the capability to transform their ideas into potential profits.
3. Every new business initiative is always successful.
4. Co-operative businesses promote self-help ideas while ensuring economic sustainability.
5. Entrepreneurs negatively impact economic growth by identifying and exploring opportunities.

D. Short answer-type questions.

1. What do you mean by a corporation?
2. Define entrepreneurship development.
3. What is the function of an entrepreneur?

E. Long answer-type questions.

1. Classify the businesses into different types based on the activities they perform.
2. What are the characteristics of entrepreneurship?
3. What are the rewards of entrepreneurship that can motivate an individual to?

F. Competency-based questions.

1. Ragini has always aspired to have her own fashion boutique. She has a great understanding of fabrics and fashion. Her career as a Fashion Manager at a well-known clothing retail store has given her insights into the market and has helped her generate capital.

She has resigned from her job now to open her own boutique, but she is confused about what type of business she should own. What, according to you, would be the best possible ownership option for her?
2. Rajat owns a successful startup. With the help of the uneducated tribal women of his village, he creates eco-friendly gift boxes. His boxes have started going far and wide. He has been awarded for his sustainable initiative and the ability to generate employment. How has he contributed to the society and himself through his role as an entrepreneur?