

ENTREPRENEURSHIP



“Entrepreneurship is the act of being an entrepreneur, which can be defined as “one who undertakes innovations, finance and business acumen in an effort to transform innovations into economic goods.”



Joseph Schumpeter is known for defining entrepreneurship as the process of "creative destruction," where new innovations disrupt existing industries, leading to economic transformation and progress.



Entrepreneurship can create new organizations or develop a strategy to revitalize mature organizations in response to a perceived opportunity.



The most obvious form of entrepreneurship is that of starting a new business also called As “**startup Company**”.



STARTUP COMPANY

- A **startup company** is a young, entrepreneurial venture that is typically characterized by innovation, fast growth, and the aim to solve a problem through new products or services. Startups often focus on scalable business models, frequently leveraging technology to disrupt traditional industries.

KEY CHARACTERISTICS OF A STARTUP:

- 1. Innovation:** Startups are usually built around innovative ideas, often introducing new technology or improving existing solutions.
- 2. Growth-Oriented:** Startups aim for rapid growth in their early stages, targeting scalability and expansion into larger markets.
- 3. Risk and Uncertainty:** Due to new ideas and unproven markets, startups face higher risks but also the potential for higher rewards.
- 4. Funding:** Startups often rely on external funding such as venture capital, angel investors, or crowdfunding to fuel their growth.
- 5. Agility:** Startups are usually small teams that can adapt quickly to market changes and customer feedback.

COMMON STAGES OF A STARTUP:

- 1. Idea Stage:** This is the initial phase, where the concept is born and initial market research is conducted.
- 2. Seed Stage:** At this stage, the business plan is developed, and early-stage funding is often sought.
- 3. Growth Stage:** As the product or service gains traction, the company begins expanding its operations and customer base.
- 4. Scale Stage:** In this stage, the focus is on scaling the business model, often requiring additional funding and resources.
- 5. Exit Stage:** Many startups aim for an exit strategy, such as being acquired by a larger company or going public (IPO).



TYPES OF ENTREPRENEURSHIP

There are several **types of entrepreneurship**, each characterized by the entrepreneur's goals, the business's scale, and its impact on the market.

1. SCALABLE STARTUP ENTREPRENEURSHIP

Overview: These startups aim for high growth and are often built around innovative ideas or technologies. They typically seek external investment to grow quickly and disrupt markets.

Goal: To scale the business rapidly and become a large company.

Scale: Focused on expanding nationally or globally, often with the goal of an IPO or acquisition.

Example: Technology companies like Uber, Airbnb, or Facebook in their early stages.





2. LARGE COMPANY ENTREPRENEURSHIP



Overview: This involves creating new ventures within an existing large corporation. These intrapreneurs aim to innovate and stay competitive in the market by introducing new products, services, or business models.

Goal: To maintain market share and expand the company's business.

Scale: Large corporations leverage resources for innovation and expansion.

Example: Google developing products like Gmail or Google Drive.



3. SOCIAL ENTREPRENEURSHIP

Overview: Social entrepreneurs focus on solving social, environmental, or community-based problems. Their ventures often aim for a positive social impact rather than just profit.

Goal: To address social issues such as poverty, education, healthcare, or sustainability.

Scale: Can range from local initiatives to global movements.
Example: Organizations like TOMS Shoes or Grameen Bank.

4. POLITICAL ENTREPRENEURSHIP

The main goal of political entrepreneurship is to **influence or create new public policies**, change political agendas, or introduce innovative ideas that solve public issues or address inefficiencies in the system.

- **Introduce reforms** to existing policies.
- **Challenge traditional political norms** and institutions.
- **Mobilize public support** around new ideas or social movements.
- **Address societal or political problems** with creative, out-of-the-box solutions.
- **Achieve social impact** through policy change or political action.



EXAMPLE OF POLITICAL ENTREPRENEURSHIP



One well-known example of political entrepreneurship is Greta Thunberg, a Swedish climate activist:

Overview: Greta started her activism by organizing school strikes to raise awareness about climate change. Her simple idea grew into a global movement known as "Fridays for Future."

Goal: To push for stronger climate action and policies aimed at mitigating climate change on both national and international levels.

Scale: Greta's activism began at the local level (in Sweden) but quickly grew into a global phenomenon, influencing governments, the United Nations, and millions of young activists worldwide.

Example Impact: Her political entrepreneurship led to greater public awareness of climate issues and influenced political leaders to prioritize environmental concerns in policy-making.

Other examples include Emmanuel Macron in France, who founded his own political movement, "En Marche!" which disrupted the traditional political landscape, or Nelson Mandela, who led the movement to end apartheid in South Africa, achieving profound political and social change.





ENTREPRENEUR



An individual who, rather than working as an employee, runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes.



WHO IS AN ENTREPRENEUR/ WHAT CHARACTERISTICS DEFINE AN ENTREPRENEUR?



- Dan Sullivan Says that: “An entrepreneur is someone who does not expect compensation until he has created value for someone else.”
- Jean-Baptist Say, Says that: “Entrepreneur is someone who takes resources from a lower level of productivity and raise them to a higher level.”

MAJOR OBSTACLES IN STARTING A COMPANY AND BECOMING ENTREPRENEUR?

- The life cycle of any business has four stages:
 - 1. Starting a business
 - 2. Staying in business
 - 3. Growing a business
 - 4. Exiting a business
- AT every stage, companies and entrepreneurs face numerous obstacles. Each stage has
 - different challenges. For example, a player who is new to a sport will have different challenges a
 - player with 10 years of experience.

- **In the startup stage**, a company might be dealing with issue like funding, pricing a product, or strategies for service delivery. In the growing stage, the business look for new entry points or acquire a competitor to gain a bigger market share.

CHARACTERISTICS OF AN ENTREPRENEUR:

- **Ambition**

- A good entrepreneur is driven to make something of himself. He knows what he wants,
- and he sets a course to get it. His motivation to achieve something can sometimes be
- overwhelming, and the urge to establish himself can be quite consuming. An entrepreneur's
- ambition is often the key ingredient that gets him off of his chair and puts him into action,
- turning his daydreams into reality.

- **Enthusiasm**

- Often coming hand-in-hand with ambition, enthusiasm plays a great role in the
- entrepreneur's motivation. While ambition may be the key to the entrepreneur's ignition,
- enthusiasm is the gas. Every successful entrepreneur has a positive outlook giving him the
- energy to pursue his endeavors. Without enthusiasm, an entrepreneurial project will slowly
- wither into inactivity and failure.

- **CREATIVITY**

When problems do arise, you can count on creativity to bail you out. Creativity is probably what led you to envision your company in the first place, and it'll be creativity that will help you realize the possible solutions to any hitches that might come your way. Successful entrepreneurs find inspiration throughout the entire process, and often discover ways to turn roadblocks into opportunities.

- **DECISION-MAKING**

Entrepreneurs call all the necessary shots. While their creativity makes them men of ideas, it's their ability to make decisions that will make them men of action. The decisions that entrepreneurs make will determine the fate of the company, and it's only through decision making that things will actually happen. An entrepreneur with poor decision-making skills will have his company caught in a state of inactivity and degradation; good decision-making skills, on the other hand, will ensure that the best possible measures in putting up the business will be enforced.

- **PERSEVERANCE**

Perhaps the most important of all the characteristics of entrepreneurs is the ability to withstand the troubles that come with starting a business.

Beginning a new enterprise is an immensely difficult task, and as an entrepreneur, you'll have to stick through the storms and stress if you want your venture to be a success. It sometimes takes years for a good idea to start making you money, but when it does, you'll be glad you stood strong in the face of adversity.

ENTREPRENEURIAL TRAITS

- 1. Passion** comes from one of two sources: the topic of the business, or the game of business-building itself. Why do you need passion? Simply because you're likely to be working too hard, for too long, for too little pay with no guarantee that it'll work out... so you need to be motivated by something intrinsic and not money-related.
- 2. Resilient** a spirit of determination coupled with a high pain tolerance. You'll need to be willing and able to learn from your mistakes – to get knocked down repeatedly, get up, dust yourself off, and move forward with renewed motivation.

• 3. Self-Possessed

You need a strong sense of self. You can't be threatened by being surrounded by talented, driven people. To truly succeed, you'll need the self-confidence to surround yourself with people "who don't look like you"... that is, people with skills, background and domain knowledge that complement your own. And check your ego at the door: you shouldn't be too proud to make coffee for the team, empty the waste baskets, or do the bank runs.

4. Decisive Develop a comfort-level with uncertainty and ambiguity. Entrepreneurs gather as much information as they can in a short period of time, and then MOVE, MOVE, MOVE!! The attitude is that it's not going to be perfect... We only have 9% or so of the data from which to base our decision... but if we wait to have all the information, we'll never get moving... and be mired in indecision. (Big organizations are really good at this – the mired thing – saying, We don't have enough information, so let's continue to study... form a committee or a task force)

INTRAPRENEUR VS. ENTREPRENEURS

- **Meaning of Intrapreneur:** “A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation”
- Entrepreneurs provide the spark. Intrapreneur keep the flame going.
- Entrepreneurs are found anywhere their vision takes them. Intrapreneur work within the confines of an organization.
- Entrepreneurs face many hurdles, and are sometimes ridiculed and riddled with setbacks. Intrapreneurs may sometimes have to deal with conflict within the organization.

- Entrepreneurs may find it difficult to get resources. Intrapreneurs have their resources readily available to them.
- Entrepreneurs may lose everything when they fail. Intrapreneurs still have a paycheck to look forward to (at least for now) if they fail.
- Entrepreneurs know the business on a macro scale. Intrapreneurs are highly skilled and specialized.

ENTREPRENEUR VS. MANAGER:

- The terms Entrepreneur and Manager are considered one and the same. But the two terms have different meanings.

The following are some of the differences between a manager and an entrepreneur.

- The main reason for an entrepreneur to start a business enterprise is because he comprehends the venture for his individual satisfaction and has personal stake in it where as a manager provides his services in an enterprise established by someone.

- An entrepreneur and a manager differ in their standing, an entrepreneur is the owner of the organization and he bears all the risk and uncertainties involved in running an organization where as a manager is an employee and does not accept any risk.
- An entrepreneur and a manager differ in their objectives. Entrepreneur's objective is to innovate and create and he acts as a change agent where as a manager's objective is to supervise and create routines. He implements the entrepreneur's plans and ideas. .
- An entrepreneur is faced with more income uncertainties as his income is contingent on the performance of the firm where as a manager's compensation is less dependent on the performance of the organization.