



Understanding Entrepreneurship

Dr. Parul Khanna
Assistant Professor



- An entrepreneur is an individual who identifies a business opportunity, takes the initiative to organize resources, and assumes the risks involved to start and manage a business.
- Entrepreneurs are known for their ability to innovate, take calculated risks, and drive economic growth.

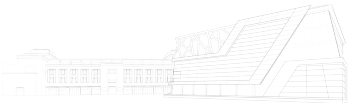


- Person who undertakes the ‘**risk**’ of a new venture
- Derived from French words,
 - ***Entre*** meaning ‘between’
 - ***Prendre*** meaning ‘to take’
 - Originally used to describe people who ‘take on the risk’ between buyers and sellers or who ‘undertake’ a task such as starting a new venture

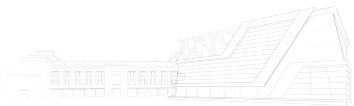


Entrepreneur

- Person who is ingenious and creative in finding ways that add to their own wealth, power and prestige (*Bauman's 1990*)
- Person conducting own business (*Webster*)
- Person who sets up business deals in order to make profits (*Collins Cobuild*)
- Organizer of an economic venture, one who owns, organizes, manages, and assumes the risks of the business (*Chandrashekhar*)



- Dhirubhai Ambani, the founder of Reliance Industries, exemplifies how an entrepreneur can transform industries without necessarily being an inventor.



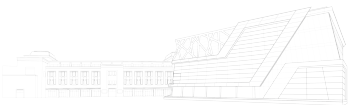
- Reliance Industries *did not invent* petrochemicals, or textiles.
- Dhirubhai Ambani *used existing technologies* and processes in these industries.
- **Entrepreneurial Innovations:**
- **Commercialization:** He built a massive consumer base for affordable synthetic textiles in India, popularizing fabrics like polyester.
- **Scaling Production:** Established large-scale, cost-efficient manufacturing units to produce textiles and petrochemical products.



- **E:** examine needs, wants, and problems to see how they can improve the way needs and wants are met and problems overcome.
- **N:** narrow the possible opportunities to one specific "best" opportunity.
- **T:** think of innovative ideas and narrow them to the "best" idea.
- **R:** research the opportunity and idea thoroughly.
- **E:** enlist the best sources of advice and assistance that they can find.
- **P:** plan their ventures (Project) and look for possible problems that might arise.



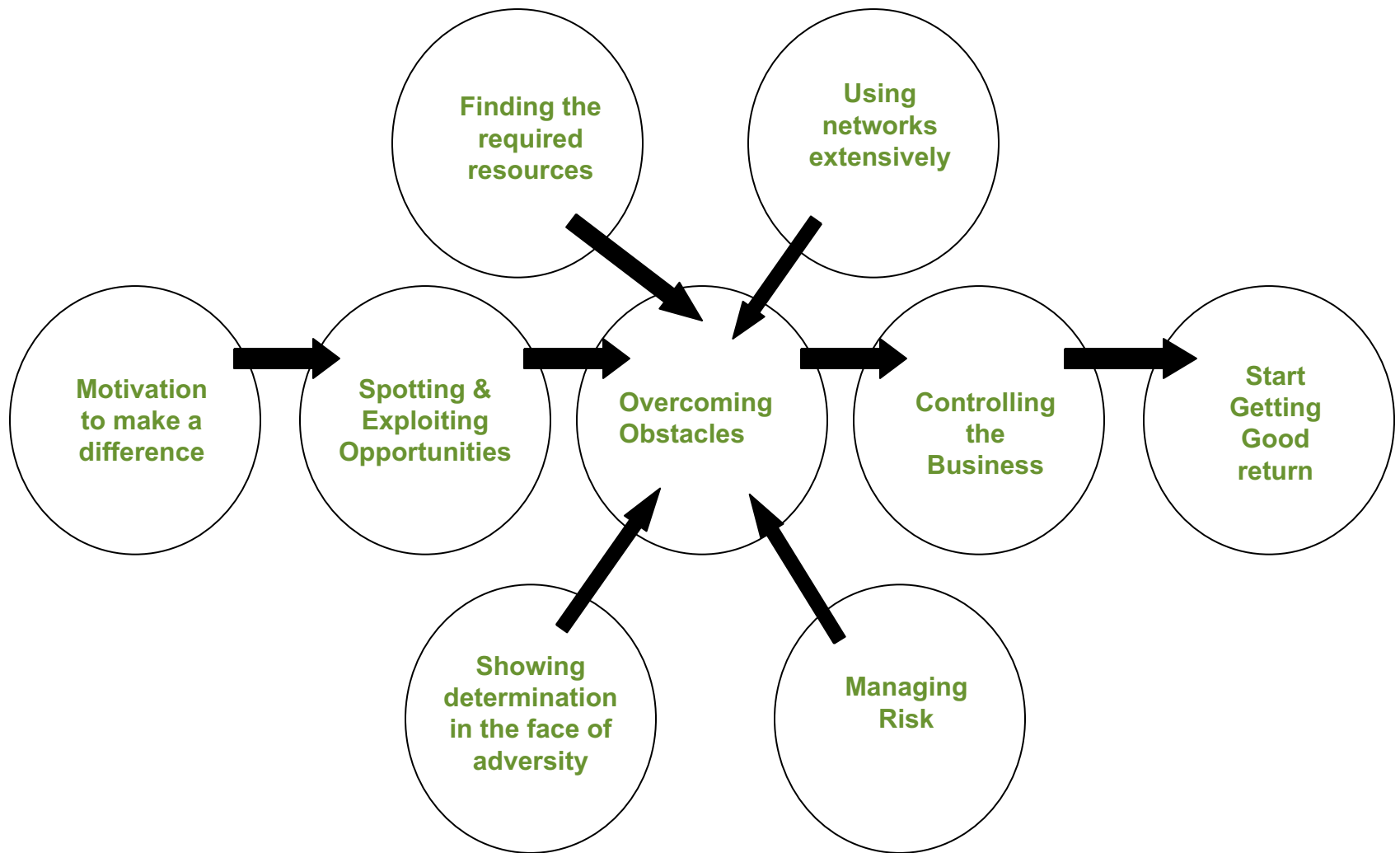
- **R**: Rank the risks and the possible rewards.
- **E**: Evaluate the risks and possible rewards and make their decision to act or not to act.
- **N**: Never hang on to an idea, no matter how much they may love it, if research shows it won't work.
- **E**: Employ the resources necessary for the venture to succeed.
- **U**: Understand that they will have to work long and hard to make their venture succeed.
- **R**: Realize a sense of satisfaction from their successful ventures and learn from their failures



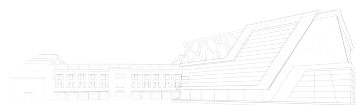
Businessman	Entrepreneur
Definition	
A businessman is an individual who operates or starts a business with the same old business idea.	An entrepreneur is an individual with an exclusive idea to initiate and establish a new venture
Market state	
Market player	Market leader
Market	
Makes his place in the market	Creates a market
Risk factor	
Less	Approximately high
Procedure	
Traditional/Ordinary	Unconventional
Focus	
Profit	Employee, customer, and public
Competition	
Extremely High	Low



Entrepreneur Process Diagram



Basis	Entrepreneur	Manager
MOTIVE	Initiate a venture	Render services
STATUS	Owner	Employee
RISK BEARING	Bears	Does not bear
REWARDS	Profit (or Losses)	Salary
INNOVATION	Change-agent	Implements changes
QUALIFICATIONS	No minimum qualification	Management theory & practice



CORPORATE ENTREPRENEURSHIP/ INTRAPRENEURSHIP



- It is concerned with *innovations* that occurs inside an established corporation/ company through the efforts of creative employees.
- An intrapreneur *combines the resources* of the corporation in unusual ways to create innovative new products or services



- The term Intrapreneur coined in America in late 70s.
- Senior executives left jobs – to start own businesses – when top bosses were not receptive to their ideas – new ventures – it became threat to the corporations they left.
- Also called as Brain Drain and Stopping the flight of their brightest executives.
- American management expert Gifford Pinchot III wrote book – ***Intrapreneuring*** 1985 to describe the persons who resigned from their well paid executive positions to launch their own ventures.



Organization's strategy to save their employees

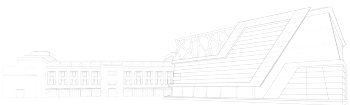
- Gifford Pinchot devised the way by which such executives could be retained in the industry and their entrepreneurial urge was also satisfied by their bosses so a system was devised where by such executives would operate as entrepreneurs with full independence and autonomy but within the organization.



Intrapreneur



- 3M (**Minnesota Mining and Manufacturing Company**, is a United States multinational conglomerate corporation), who encourage many projects within the company. They give certain freedom to employees to create their own projects, and they even give them funds to use for these projects.
- In the days of its founders, HP *used to* have similar policies and just such an innovation-friendly atmosphere and intrapreneurial reputation.
- Intel also has a tradition of implementing intrapreneurship.
- Google is also known to be Intrapreneur friendly, allowing their employees to spend up to 20% of their time to pursue projects of their choice.



Difference

Entrepreneur

- Independent
- Raises the funds
- Bears risk involved

Intrapreneur

- Dependent on owner
- Does not own responsibility to raise funds
- Does not fully bear the risk involved



THANK YOU!!

