

## **CLASSIFICATION OF ENTREPRENEURS**

The entrepreneurs in business are broadly classified according to the types of business, use of professional skill, motivation, growth and stages of development. Clarence Danhof classifies entrepreneurs on the basis of stage of economic development: some others have classified on the basis of their functions and characteristics. The former reflects the role played by the entrepreneurs in the economic development, and later type reflects the degree of their involvement. The various types of entrepreneurs have been shown in Table 4.1.

The above classification of entrepreneurs is not exhaustive, for it aims at highlighting the broad range of entrepreneurs found in various businesses and professions. We shall now discuss in brief, each type of entrepreneur.

### ***According to the Type of Business***

Entrepreneurs are found in various types of businesses occupation of varying size. We may broadly classify them as follows:

**TABLE 4.1: CLASSIFICATION OF ENTREPRENEURS**

<b>According to the types of business</b>	<ul style="list-style-type: none"><li>— 1. Business entrepreneurs</li><li>— 2. Trading entrepreneurs<ul style="list-style-type: none"><li>(i) Wholesale trade</li><li>(ii) Retail trade</li><li>(iii) Mall trading</li><li>(iv) Exporters</li><li>(v) Importers</li><li>(vi) Stock trading</li><li>(vii) Real estate</li></ul></li><li>— 3. Industrial entrepreneurs<ul style="list-style-type: none"><li>(i) Large</li><li>(ii) Medium</li><li>(iii) Small and</li><li>(iv) Tiny Sector</li></ul></li><li>— 4. Corporate entrepreneurs</li><li>— 5. Agricultural entrepreneurs<ul style="list-style-type: none"><li>(i) Plantation</li><li>(ii) Horticulture</li><li>(iii) Dairy</li><li>(iv) Forestry</li><li>(v) Floriculture</li><li>(vi) Animal Husbandry</li><li>(vii) Poultry</li><li>(viii) Seeds</li></ul></li><li>— 6. Retail entrepreneurs</li><li>— 7. Service entrepreneurs<ul style="list-style-type: none"><li>(i) Repairs</li><li>(ii) Engineering</li><li>(iii) Beauty Parlours</li><li>(iv) Others</li></ul></li></ul>
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- According to the use of technology**
  - 8. Re-engineering entrepreneurs
  - 9. Health entrepreneurs
  - 1. Technical entrepreneurs
  - 2. Non-technical entrepreneurs
  - 3. Professional entrepreneurs
  - 4. High-tech entrepreneurs
  - 5. Low-tech entrepreneurs
  - 6. Business process outsourcing
  - 7. Knowledge process outsourcing
  - 8. IT entrepreneurs
  - 9. E-entrepreneurs
  - 10. Legal processing outsourcing
  
- According to the motivation**
  - 1. Pure entrepreneurs
  - 2. Induced entrepreneurs
  - 3. Motivated entrepreneurs
  - 4. Spontaneous entrepreneurs
  - 5. Forced entrepreneurs
  - 6. Accidental entrepreneurs
  - 7. Achieving entrepreneurs
  - 8. Successful entrepreneurs
  
- According to the growth**
  - 1. Growth entrepreneurs
  - 2. Super-growth entrepreneurs
  - 3. Aspiring entrepreneurs
  - 4. Lifestyle entrepreneurs
  
- According to the stages of development**
  - 1. First generation entrepreneurs
  - 2. Modern entrepreneurs
  - 3. Classical entrepreneurs
  - 4. Generation-next entrepreneurs
  - 5. Inherited entrepreneurs
  
- According to area**
  - 1. Urban entrepreneurs
  - 2. Rural entrepreneurs
    - (i) Artisans
    - (ii) Handlooms
    - (iii) Sericulture
    - (iv) Agri
    - (v) Khadi
    - (vi) Village industries
    - (vii) Handicrafts and
    - (viii) Rural service
  - 3. Global entrepreneurs
  - 4. Local entrepreneurs
  
- According to organisation**
  - 1. Individual entrepreneurs
  - 2. Group entrepreneurs
  - 3. Institutional entrepreneurs
  - 4. Private entrepreneurs
  - 5. Public entrepreneurs
  - 6. Government entrepreneurs
  
- According to gender and age**
  - 1. Men entrepreneurs
  - 2. Women entrepreneurs
    - (i) Young entrepreneurs
    - (ii) Old entrepreneurs
    - (iii) Middle-aged entrepreneurs

**Unclassified**

- 1. Professional entrepreneurs
- 2. Non-professional entrepreneurs
- 3. New Modern entrepreneurs
- 4. Trading entrepreneurs
- 5. Skilled entrepreneurs
- 6. Non-skilled entrepreneurs
- 7. Imitating entrepreneurs
- 8. Serial entrepreneurs
- 9. Social entrepreneurs
- 10. National entrepreneurs
- 11. International entrepreneurs
- 12. Bureaucratic entrepreneurs
- 13. Orthodox entrepreneurs
- 14. Immigrant entrepreneurs
- 15. Innovative entrepreneurs
- 16. Philanthropreneurs
- 17. Entertainment entrepreneurs
- 18. Creative entrepreneurs
- 19. Knowledge entrepreneurs
- 20. Education entrepreneurs
- 21. Intrapreneurs
- 22. Ultrapreneurs
- 23. Mompreneurs
- 24. Alterpreneurs
- 25. Artapreneurs
- 26. Joint entrepreneurs
- 27. Generous entrepreneurs
- 28. Promoter entrepreneurs
- 29. Multifaced entrepreneurs
- 30. Entrepreneur employees
- 31. Accidental entrepreneurs
- 32. Orthodox Entrepreneurs
- 33. Social Entrepreneurs
- 34. Edupreneurs
- 35. Mentorpreneurs
- 36. Mobile Entrepreneurs
- 37. Upcountry Entrepreneurs
- 38. Foodpreneurs
- 39. Executive Entrepreneurs
- 40. Green Entrepreneurs
- 41. Change Entrepreneurs
- 42. Level Headed Entrepreneurs
- 43. Student Entrepreneurs
- 44. Formapreneurs
- 45. Forced Entrepreneurs
- 46. Accidental Entrepreneurs
- 47. Achieving Entrepreneurs
- 48. Successful Entrepreneurs
- 49. Visionary Entrepreneurs
- 50. Zealous Entrepreneurs
- 51. Creative Entrepreneurs
- 52. High-intensity Entrepreneurs
- 53. Young Entrepreneurs
- 54. Campus Entrepreneurs

#### According to Organisation

- 55. Passionate Entrepreneurs
- 56. Artrepreneurs
- 57. Global Entrepreneurs
- 58. Start-up Entrepreneurs
- 59. Newborn Entrepreneurs
- 60. Ecopreneurs
- 61. Expat Entrepreneurs
- 62. Digital Entrepreneurs
- 63. Social media entrepreneurs
- 1. Individual Entrepreneurs
- 2. Group Entrepreneurs
- 3. Institutional Entrepreneurs
- 4. Private Entrepreneurs
- 5. Public Entrepreneurs
- 6. Government Entrepreneurs

**Business Entrepreneurs:** They are individuals who conceive an idea for a new product or service and then create a business to materialise their idea into reality. They tap both production and marketing resources in their search to develop a new business opportunity. They may set up a big establishment or a small business unit. They are called *small business entrepreneurs* when found in small business units such as printing press, textile processing house, advertising agency, readymade garments or confectionery. In a majority of cases, entrepreneurs are found in small trading and manufacturing business and entrepreneurship flourishes when the size of the business is small.

**Trading entrepreneur:** He undertakes trading activities and is not concerned with the manufacturing work. He identifies potential markets, stimulates demand for his product line and creates a desire and interest among buyers to go in for his product. He is engaged in both domestic and overseas trade. Britain, due to geographical limitations, has developed trade through trading entrepreneurs. These entrepreneurs demonstrated their ability in pushing many ideas ahead which promoted their business.

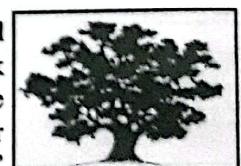
**Industrial Entrepreneur:** Industrial entrepreneur is essentially a manufacturer who identifies the potential needs of customers and tailors products or services to meet the marketing needs. He is a product-oriented man who starts in an industrial unit because of the possibility of making some new product. The entrepreneur has the ability to convert economic resources and technology into a considerably profitable venture. He is found in any industrial units such as the electronic industry, textile unit, machine tools or video cassette making and the like.

**Corporate Entrepreneur:** This entrepreneur is a person who demonstrates his innovative skill in organising and managing a corporate undertaking. A corporate undertaking is a form of business organisation which is registered under some statute or Act which gives it a separate legal entity. A trust registered under the Trust Act, or a company registered under the Companies Act are examples of corporate undertakings. He is thus an individual who plans, develops and manages a corporate body.

**Agricultural Entrepreneur:** Agricultural entrepreneurs are those who undertake such agricultural activities as raising and marketing of crops, fertilisers and other inputs of agriculture. They are motivated to raise the productivity of agriculture through mechanisation, irrigation and application of technologies for dry land agriculture. They cover a broad spectrum of the agricultural sector and include agriculture and allied occupations.

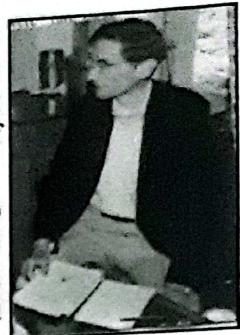
## Social Entrepreneur

Ashoka-Innovators for the Public, a global non-profit organisation committed to nurturing social entrepreneurship, says a social entrepreneur is one who recognises the part of society which is stuck and provides new ways to get it unstuck. Be it dedicated efforts for child upliftment, fighting for the conservation of Assam's rainforests, working for the betterment of the blind or initiatives to empower women, the entrepreneur's passion is so strong that he can't let "the opportunity to make a difference" go by.



Ashoka was the idea of one man, William Drayton. His key insight was that there exist people in all countries who, like business entrepreneurs, have vision, creativity and tenacity, but who are possessed with a need to make a difference, to change society. He dubbed these people "social entrepreneurs." Social entrepreneurs, he explained, were "rare men and women who possess the vision, creativity and extraordinary determination of the business entrepreneur but who devote these qualities to

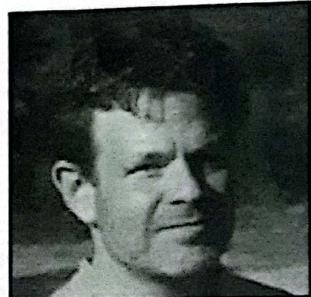
introducing new solutions to societal problems." He also realised that a little investment in such people would go farther in terms of their social impact than simply giving money for projects would. "It is arrogant to think that well-meaning outsiders can make a dent in the horrendous social problems besetting every country in the world .... We empower social entrepreneurs from the communities and get out of their way. It is amazing how effective they become in finding their own solutions."



Like the visionary social entrepreneurs, Verghese Kurien of Amul, Rippal Kapur of CRY, Jeroo Billimoria of Childline (where children in trouble in numerous Indian cities can pick up a phone and make a toll-free call for help) and many others, a social entrepreneur approach to implement ideas in creative, innovative and unconventional. It's their sensitivity and the ability to voice and take a stand which differentiates them from others.

David Bornstein, the exponent of social innovations and entrepreneurship believes that the future belongs to social entrepreneurs. They are news worthy and pose serious threats to the status quo.

In essence they are both the same. However, while the former is concerned about profits, the latter is fanatical about a cause. So much so, that he or she is not happy solving an idea in one village or two villages. Yet at the same time, social entrepreneurs have got to be very systematic, are basically really good people, with a high streak of integrity. And finally, they are really self-effacing — always passing on the credit of their work to the team.



DAVID BORNSTEIN

Most of these social entrepreneurs start with a higher base of education with greater access to information, and are more aware of problems around them in this era of the internet. Between 1970 and 1985, adult literacy rates have increased in the developed world from 43% to 60% and there has been a proliferation of the dot orgs too. Finally, there is more opportunity both politically and financially now, than ever before in history. Per capita incomes in free market economies have risen by more than 700% in the 20th century. So essentially, freedom, wealth, exposure, social mobility and greater individual confidence are driving this huge wave of social innovation and entrepreneurship. After all people are tired with the inefficiency of governments and the indifference of corporates, and want to make a change and this is the case everywhere.

## *According to the Use of Technology*

The application of new technology in various sectors of the national economy is essential for the future growth of business. We may broadly classify these entrepreneurs on the basis of the use of technology as follows:

**Technical entrepreneur:** A technical entrepreneur is essentially an entrepreneur of 'craftsman type.' He develops new and improved quality of goods because of his craftsmanship. He concentrates more on production rather than marketing. He does not care much to generate sales by applying various sales promotional techniques. He demonstrates his innovative capabilities in matters of production of goods and rendering services. The greatest strength which the technical entrepreneur has, is his skill in production techniques.

**Non-technical entrepreneur:** Non-technical entrepreneurs are those who are not concerned with the technical aspects of the product in which they deal. They are concerned only with developing alternative marketing and distribution strategies to promote their business.

**Professional entrepreneur:** Professional entrepreneur is a person who is interested in establishing a business but does not have interest in managing or operating it once it is established. A professional entrepreneur sells out the running business and starts another venture with the sales proceeds. Such an entrepreneur is dynamic and he conceives new ideas to develop alternative projects.

## *According to Motivation*

Motivation is the force that influences the efforts of the entrepreneur to achieve his objectives. An entrepreneur is motivated to achieve or prove his excellence in job performance. He is also motivated to influence others by demonstrating his power, thus satisfying his ego.

**Pure entrepreneur:** A pure entrepreneur is an individual who is motivated by psychological and economical rewards. He undertakes an entrepreneurial activity for his personal satisfaction in work, ego or status.

**Induced entrepreneur:** This entrepreneur is one who is induced to take up an entrepreneurial task due to the policy measures of the government that provides assistance, incentives, concessions and necessary overhead facilities to start a venture. Most of the entrepreneurs belong to this category and enter business due to financial, technical and several other facilities provided to them by the state agencies to promote entrepreneurship. A person with a sound project is provided package assistance to his project. Today, import restrictions and allocation of production quotas to small units have induced many people to start a small-scale industry.

**Motivated entrepreneur:** New entrepreneurs are motivated by the desire for self-fulfilment. They come into being because of the possibility of making and marketing some new products for the use of consumers. If the product is developed to a saleable stage, the entrepreneur is further motivated by reward in terms of profit.

**Spontaneous entrepreneurs:** These entrepreneurs start their business out of their natural talents. They are persons with initiative, boldness and confidence in their ability which motivate them to undertake entrepreneurial activity. Such entrepreneurs have a strong conviction and confidence in their ability.

## **According to Growth**

The development of a new venture has a greater chance of success. The entrepreneur enters a new and open field of business. The customer's approval to the new product gives them psychological satisfaction and enormous profit. The industrial units are identified as high growth, medium growth and low growth industries and as such we have 'Growth Entrepreneur' and 'Super Growth Entrepreneur.'

**Growth Entrepreneur:** He necessarily takes up a high growth industry and chooses an industry which has sustained growth prospects.

**Super-Growth Entrepreneur:** This category of entrepreneurs are those who have shown enormous growth of performance in their venture. The growth performance is identified by the liquidity of funds, profitability and gearing.

## **According to Stages of Development**

Entrepreneurs may also be classified as the first generation entrepreneur, modern entrepreneur and classical entrepreneur, depending upon the stage of development.

**First-generation Entrepreneur:** A first-generation entrepreneur is one who starts an industrial unit by means of an innovative skill. He is essentially an innovator, combining different technologies to produce a marketable product or service.

**Modern Entrepreneur:** A modern entrepreneur is one who undertakes those ventures which go well along with the changing demand in the market. They undertake those ventures which suit the current marketing needs.

**Classical Entrepreneur:** A classical entrepreneur is one who is concerned with the customers and marketing needs through the development of self-supporting ventures. He is a stereotype entrepreneur whose aims to maximise his economic returns at a level consistent with the survival of the firm with or without an element of growth.

## **Women Entrepreneurs' Enterprises**

In 1988, for the first time, the definition of Women Entrepreneurs' Enterprise was evolved that termed an SSI unit/industry-related service or business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she/they individually or jointly have a share capital of not less than 51 per cent as partners/ shareholders/ directors of a private limited company/members of a cooperative society, as a Woman Enterprise.

Women entrepreneurs have been on the Indian business scene for quite some time now and have achieved remarkable success. However, their number in relation to the overall number of small-scale enterprises is still very small. One of the reasons for this is the initial hesitation and inhibition, both familial and social, due to the traditional perception of the women's role. Moreover, like any other entrepreneur, any first generation woman entrepreneur has to compete in the business against those already well established.

Woman entrepreneurs, as a group, came into prominence in the late 1970s. The information contained in the Second All India SSI Census 1987-88 shows that about 7.7 per cent of the small enterprises were owned by women. Industry group-wise, the most popular activity of women entrepreneurs was food processing followed by garment making. Realising the great

**TABLE 4.2: COMPARISON BETWEEN MALE AND FEMALE ENTREPRENEURS**

Characteristic	Male Entrepreneurs	Female Entrepreneurs
Motivation	Achievement — strive to make things happen Personal independence — self-image as it relates to status through their role in the corporation is unimportant Job satisfaction arising from the desire to be in control	Achievement — accomplishment of a goal Independence — to do it alone
Departure Point	Dissatisfaction with present job Sideline in college, sideline to present job, or outgrowth of present job Discharge or layoff Opportunity for acquisition	Job frustration Interest in and recognition of opportunity in the area Change in personal circumstances
Sources of funds	Personal assets and savings Bank financing Investors Loans from friends and family	Personal assets and savings Personal loans
Occupational background	Experience in line of work Recognised specialist or one who has gained a high level of achievement in the field Competent in a variety of business functions	Experience in area of business Middle-management or administrative level experience in field Service-related occupational background
Personality characteristics	Opinionated and persuasive Goal oriented Innovative and idealistic High level of self-confidence Enthusiastic and energetic Must be own boss	Flexible and tolerant Goal oriented Creative and realistic Medium level of self-confidence Enthusiastic and energetic Ability to deal with the social and economic environment
Background	Age when starting venture: 25-35 Father was self-employed College education — degree in business or technical area (usually engineering) Firstborn child	Age when starting venture 35-45 Father was self-employed College educated — degree in liberal arts Firstborn child
Support groups	Friends, professional acquaintances (lawyers, accountants) Business associates Spouse	Close friends Spouse Family Women's professional groups Trade associations
Type of business started	Manufacturing or construction	Service related — educational services, consulting, or public relation

untapped potential, the Government has been making concerted efforts to channelise the skills and talent of women towards economic and business generating activities.

## Others

**Innovating Entrepreneurs:** Innovating entrepreneurship is characterised by aggressive assemblage of information and analysis of results, deriving from a novel combination of factors. Men/women in this group are generally aggressive in experimentation who exhibit cleverness in putting attractive possibilities into practice. One need not invent but convert even old established products or services, by changing their utility, their value, their economic characteristics, into something new, attractive and utilitarian. Therein lies the key to their phenomenal success. Such an entrepreneur is one who sees the opportunity of an existing enterprise.

**Adoptive or Imitating Entrepreneurs:** Imitative entrepreneurship is characterised by readiness to adopt successful innovation inaugurated by innovating entrepreneurs. In other words, imitators follow the innovators later after observing how the latter fare. These groups are also revolutionary entrepreneurs with the difference that they do not innovate the changes themselves. They just imitate techniques and technology innovated by others. Such entrepreneurs are particularly important in developing countries because they contribute significantly to the development of such economies. Imitative entrepreneurs are most suitable for the developing regions because in such countries people prefer to imitate the technology, knowledge and skill already available in more advanced countries.

The reason for the backwardness of the underdeveloped countries lies in the fact that they are deficient in innovating and imitating entrepreneurs when they are found in abundance in developed countries. Men are needed who can imitate the technologies and products to the particular conditions prevailing in such countries. And at times there is a need of changing and adjusting the new technologies to their special conditions. Such countries, primarily need imitators who are responsible for transforming the system with the limited resources they possess.

**Fabian Entrepreneurs:** Fabian entrepreneurship is characterised by great caution and scepticism in practising any change. Such entrepreneurs have neither will to introduce new changes nor desire to adopt new methods innovated by the most enterprising entrepreneurs. Such entrepreneurs are shy and lazy. Their dealings are determined by customs, religion, tradition and past practices. They are not much interested in taking risk and they try to follow the footsteps of their predecessors.

**Drone Entrepreneurship:** Drone entrepreneurship is characterised by a refusal to adopt and use opportunities to make changes in production. Such entrepreneurs may even suffer losses but they do not make changes in production methods. They are laggards because they continue in their traditional way and in fields their product loses its marketability or their operation becomes uneconomical — they are pushed out of the market.

**Aspiring Entrepreneurs:** Aspiring entrepreneurs dream of starting a business; they hope for the chance to be their own bosses, but they have not yet made the leap from their current employment into the uncertainty of a start up.

**Lifestyle Entrepreneurs:** Lifestyle entrepreneurs have developed an enterprise that fits their individual circumstances and style of life. Their basic intention is to earn an income for themselves and their families.

**Growth Entrepreneurs:** Growth entrepreneurs have both the desire and ability to grow as fast as large as possible.

**Opportunist Entrepreneurs:** Opportunist entrepreneurs are those who have grabbed an opportunity which has come in their way.

**E-Entrepreneurs:** The new electronic or e-entrepreneur is mostly concerned with "click-through schemes and capturing eye-balls." The e-entrepreneur comes in many modes. Young and ambitious, older and corporate based, international and risk taking.

**Mompreneurs:** Homemaker entrepreneur is a mompreneur. Entrepreneurship is one way for women to get around corporate glass ceiling (not everyone can do an Indra Nooyi). It also gives them the flexibility to care for the home while avoiding barriers — and bosses — who come with traditional jobs, although there are bound to be other hurdles. For the 21st century women, there's no business like own business.

**The New Kingmakers Entrepreneurs:** The Indian economy is blooming and spreading its wings beyond its borders. To fulfil their growth aspirations there is need for corporate leaders to lead. With India Inc. in the throes of a top-level talent crunch, headhunters hold the keys to the corner office. A new breed of new kingmaker (headhunters) entrepreneurs have emerged.

**Professor Entrepreneurs:** It requires guts, motivation, inspiration, business sense, financial backing, among other traits to be an entrepreneur. A few characteristics are in-born and a few, taught. But somewhere down the line, the professors who play a vital role in the lives of the budding visionaries fade away and get lost in history books. What remains etched in our minds are the names of the people who stormed the world to set up vast empires of businesses. Ever thought of the people responsible behind the success of these entrepreneurs? Meet Prof. Radha Iyer, Prof. Suresh Rao and Prof. Arya Kumar who left their illustrious corporate careers and turned to academics to give direction to budding entrepreneurs. They are the pioneers in creating 'entrepreneurship' courses in their respective institutes thereby giving the visionaries a platform to hone and learn the skills to make the perfect kill!