

ENTREPRENEURSHIP



"There is growing recognition that Knowledge Management is a key differentiator and provides competitive advantage for companies. Managing knowledge residing within organisations, transforming it into a critical business resource and making it available to the right people at the right time has become the key task of Intelligent Communications today. By embedding Intelligent Communications applications into their mission-critical processes, companies are achieving the next quantum leap in productivity improvements and profitability."

Niru Mehta, Managing Director, Avaya Global Connect

The words *entrepreneur*, *intrapreneur* and *entrepreneurship* have acquired special significance in the context of economic growth in a rapidly changing socio-economic and socio-cultural climates, particularly in industry, both in developed and developing countries. The experience in the industrialised countries like the United States of America, Germany, Japan and the United Kingdom are authoritatively cited in support of this claim. An in-depth study of the subject thus becomes not only relevant but also necessary.

Entrepreneurial development is a complex phenomenon. Productive activity undertaken by him and constant endeavour to sustain and improve it are the outward expression of this process of development of his personality. Such process is crystallisation of social milieu from which he comes, family imbibes, make-up of his mind, personal attitudes, caste system, educational level, parental occupation, and so on.

An entrepreneur is one of the important segments of economic growth. Basically he is a person responsible for setting up a business or an enterprise. In fact, he is one who has the initiative, skill for innovation and who looks for high achievements. He is a catalytic agent of change and works for the good of people. He puts up new green-field projects that create wealth, open up many employment opportunities and leads to the growth of other sectors.

Aspects of Entrepreneurship

As a catalytic agent the entrepreneur has to change the mindset of the workers so that the latter accepts radical changes in system structure and processes which the organisation is contemplating to introduce in order to compete with the rivals. What is most important is to change the key value, beliefs and norms established and accepted by workers.

There is a strong need for basic cultural change in the organisation that stresses productivity, quality, speed, innovation, customer orientation and empowerment. This calls for impressing certain fundamental changes at the top level. These include helping the latter in envisioning and defining its philosophy, values and beliefs.

As a developer, entrepreneur has to play a pivotal role in developing among the employees requisite knowledge, skills and suitable attitudes and improve their performance.

By imparting need based training and assigning jobs to the individuals best suited for them, using motivational techniques, creating manpower, configurations to boost the operational ability of individuals and by designing individual careers, the entrepreneur can ensure fuller utilisation of human resource potentials of the organisation.

As a facilitator, role of entrepreneur will be to foster an invigorating climate of mutual trust and confidence between the organisation/enterprise and the workers through a high degree of empowerment and recognition, openness, authenticity, internal and external equity and collaboration and team work. This will obviously lead to behavioural changes in the right direction.

Entrepreneurship, it is commonly believed, is enormously risky. And, indeed, in such highly visible areas of innovation as high-tech microcomputers for instance, or biogenetics — the casualty rate is high and the chances of success or even of survival seem to be quite low.

But why should this be so? Entrepreneurs, by definition, shift resources from areas of low productivity and yield to areas of higher productivity and yield. Of course, there is a risk they may not succeed. But if they are even moderately successful, the returns should be more than adequate to offset whatever risk there might be. One should thus expect entrepreneurship to be considerably less risky than optimisation. Indeed, nothing could be as risky as optimising resources in areas where the proper and profitable course is innovation, that is, where the opportunities for innovation already exist. Theoretically, entrepreneurship should be the least risky rather than the most risky course.

There are also enough individual entrepreneurs around whose batting average in starting new ventures is so high as to disprove the popular belief of the high risk of entrepreneurship.

Entrepreneurship is “risky” mainly because so few of the so-called entrepreneurs know what they are doing. They lack the methodology. They violate elementary and well-known rules. This is particularly true of high-tech entrepreneurs. To be sure (as will be discussed in Chapter 13), high-tech entrepreneurship and innovation are intrinsically more difficult and more risky than innovation based on economics and market structure, on demographics, or even on something as seemingly nebulous and intangible as *Weltanschauung* — perceptions and moods.

Thus, apart from economic, social, psychological, cultural factors affect and influence entrepreneurship. Entrepreneurial culture is both moulded by all cultures in the society in a distinct manner. As a leader, it gives direction and leads to the right path to success.

Features of Entrepreneurship

Entrepreneurship is as old as civilisation. The main features of entrepreneurship are as follows:

- Economic activity
- Innovative activity
 - (i) The introduction of a new product
 - (ii) The introduction of a new service
 - (iii) The introduction of a new method of production
 - (iv) Opening of a new market
 - (v) The conquest of a new source of supply of raw material
 - (vi) The creation of a new organisation for an industry
 - (vii) The introduction of innovative management concept
 - (viii) Building up of quality process
- A function of high achievement
 - (i) Doing things in a different and better way
 - (ii) Decision making under uncertainty
 - (iii) Motivating the people to excel
- Creative and purposeful activity
 - (i) Creative response to the changing environment
 - (ii) Offering something creative and new to the society
 - (iii) Thrust on social responsibility
- An organising function
- A function of risk-bearing
 - (i) Conceptualising an idea
 - (ii) Translating the idea into a product or a service
 - (iii) Raising finance
 - (iv) Coordinating venture related activities
 - (v) Building a team
 - (vi) Marketing the product/service
 - (vii) Earning profits and deriving satisfaction

Entrepreneurship is a dynamic and multi-dimensional concept. It is both an art as well as a science. It is more of an art than science. Entrepreneurship is a unique tool of management and economic development.

Entrepreneurism, entrepreneurship are the lifeblood of any economy, more so in the developing economy. In India, entrepreneurism is in its cultural ethos. Entrepreneurship and enterprises are a continuous process and it is growing from centuries to centuries.

Information and communications technology make it easier for companies to serve the world from any place they choose. Overnight package delivery-service allow companies to get parts from nearly anywhere within a day or two; so, they don't necessarily need supplies to be nearby. Highspeed, low-cost communication systems link companies to offices anywhere in the world, giving even small or remote communities opportunities to compete. Therefore, just as the acquisition and application of knowledge will differentiate winners from losers in business, the adoption of a global outlook will make those communities and individuals who thrive in the next century. In addition to bringing jobs, any business moving into a community is also likely to bring new services, technologies, and equipment that can help it grow. And cosmopolitans who come to a community can help raise the standards of schools, government, public services, and its businesses.

Entrepreneurship management is basically concerned with the development, and coordination of entrepreneurial functions. An effective organisation, sound planning, proper coordination of business activities and rational decision-making are the important aspects of entrepreneurship management. The foundation of effective management needs both policy and strategy to be determined and made known.