

FUNDAMENTALS OF MILLENNIAL ENTREPRENEURSHIP



Session 1

Fundamentals of Entrepreneurship

Session Overview

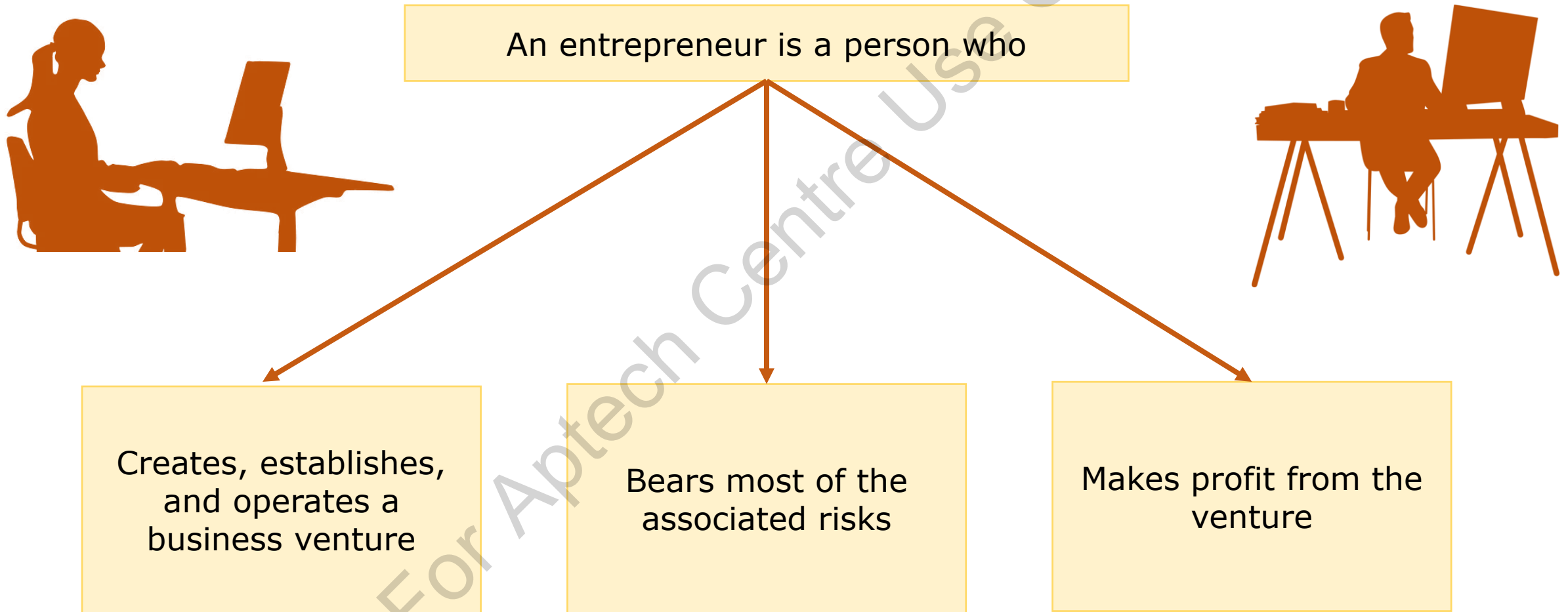
In this session, you will be able to:

- Define an entrepreneur and an entrepreneurship
- Classify the types of entrepreneurships
- List the characteristics of a success entrepreneur
- Explain the process of entrepreneurship
- Describe millennial entrepreneurs

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Introduction to Entrepreneurship

1-4



Introduction to Entrepreneurship

2-4

Create something new from an innovative idea.

Work hard and achieve his/her business goals.

Take calculated risks and know when to quit.

Identifies a customer requirement or a new product.



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Introduction to Entrepreneurship

3-4

Origin

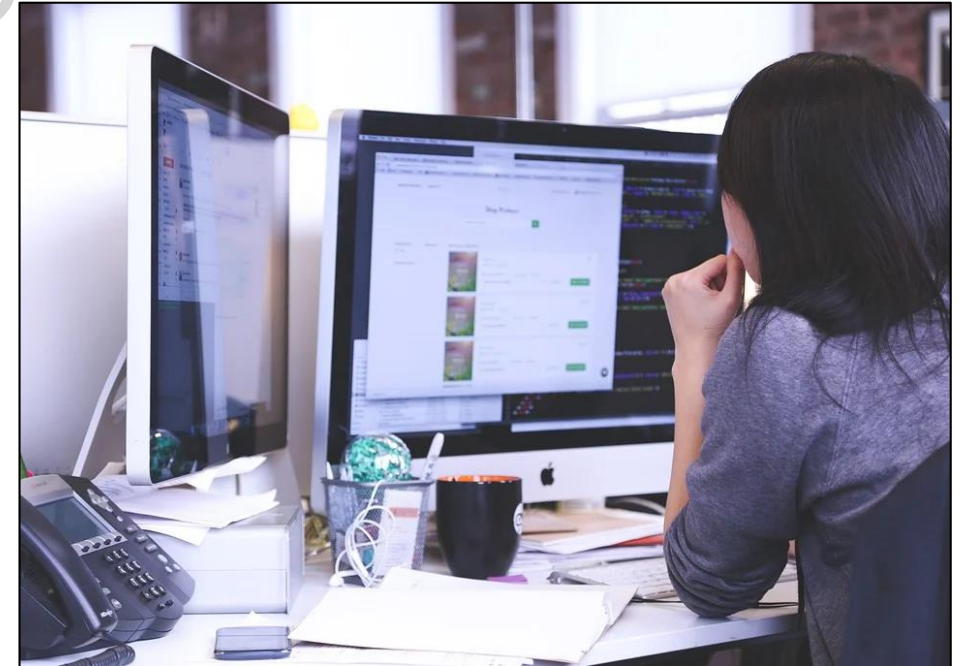
- From the French word 'entreprendre'

Jean-Baptiste Say

- Coined the term 'entrepreneur' in 1800

Peter Drucker

- Defined an entrepreneur as the one who maximizes opportunities and an entrepreneurship as a discipline



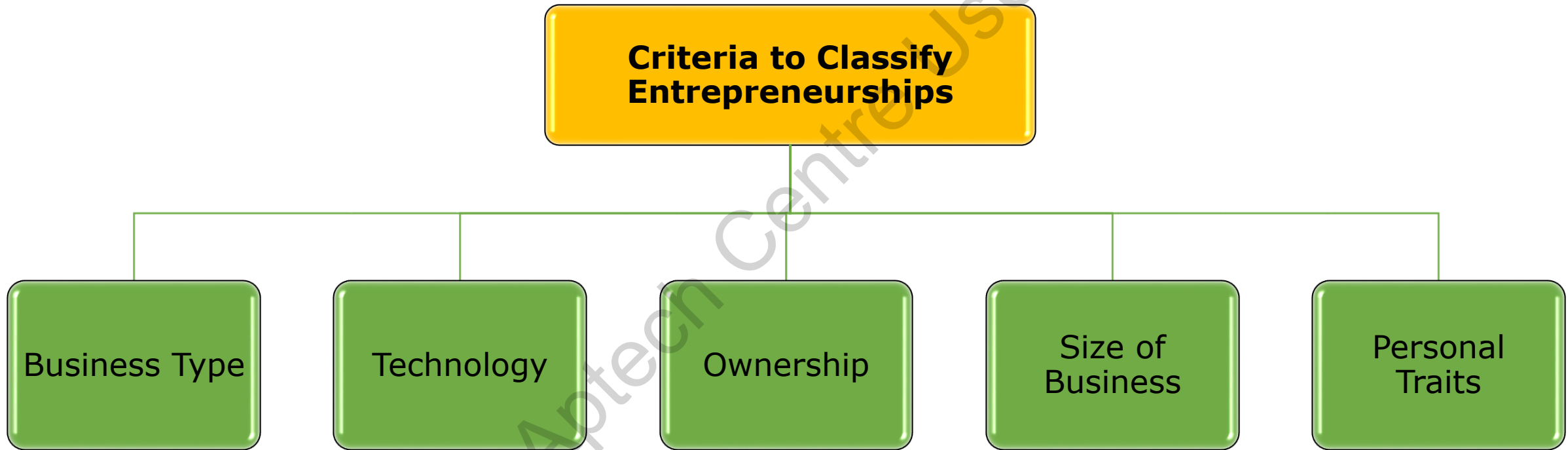
Introduction to Entrepreneurship

4-4



Types of Entrepreneurship

1-8



Types of Entrepreneurship

2-8

Business Type	Technology	Ownership	Size of Business	Personal Traits
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Trading

- Involved in purely trading activities

Agricultural

- Involved in agricultural and allied activities

Manufacturing

- Involved in manufacturing different products

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Types of Entrepreneurship

3-8

Business Type	Technology	Ownership	Size of Business	Personal Traits
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Technical

- Focused on starting a technical venture

Non-Technical

- Focused on different strategies in marketing and distribution

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Types of Entrepreneurship

4-8

Business Type	Technology	Ownership	Size of Business	Personal Traits
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Private

- Business solely set up and owned by a private individual

Partnership

- Two or more people are owners of the enterprise

State

- Business set up and owned by the State or the Government

Joint

- Business jointly owned by the Government and a private entrepreneur

Types of Entrepreneurship

5-8

Business Type	Technology	Ownership	Size of Business	Personal Traits
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Partnership	Formed with various people in order to setup a new business venture
Partnership Deed	A written legal agreement between the partners and contains the terms and conditions of the partnership
Partnership Types	Three types: <ul style="list-style-type: none">• General partnership• Limited partnership• Limited liability partnership



Types of Entrepreneurship

6-8

Business Type	Technology	Ownership	Size of Business	Personal Traits
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Advantages of Partnership	Disadvantages of Partnership
There is more capital and borrowing capacity to start the business.	There is an invisible imbalance of power due to unequal contribution of capital.
It is easier to manage a partnership business.	There may be clash of ideas, leading to disputes between the partners.
There are different methods of problem-solving.	Decision-making has to be a joint process.
Business activities can be split and assigned.	Some partners may not be good at sharing responsibilities.
All partners share the profits and losses based on terms agreed upon.	Conflicts may arise when a partner is taking the equal share in profits without contributing equally.
Brainstorming can be done to infuse new ideas with diverse people having ownership in the business.	As there is requirement for consensus on ideas, a particular partner might be forced to compromise, thus leading to bitterness.

Types of Entrepreneurship

7-8

Business Type	Technology	Ownership	Size of Business	Personal Traits
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Small-scale

- Small in size and mostly family-run with minimal capital and operations

Medium-scale

- Medium in size with a set number of employees and maintenance of records

Large-scale

- Large in size with complex and multiple number of business operations

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Types of Entrepreneurship

8-8

Business Type	Technology	Ownership	Size of Business	Personal Traits	
Innovative <ul style="list-style-type: none">• One who discovers or creates new products or new ideas	Imitative <ul style="list-style-type: none">• One who imitates a successful existing entrepreneurship or an existing innovative idea	Hustler <ul style="list-style-type: none">• One who can sell anything to anyone	Researcher <ul style="list-style-type: none">• One who researches the utmost before starting a business	Buyer <ul style="list-style-type: none">• One who buys a business venture that seems promising	Social <ul style="list-style-type: none">• One who aims at public welfare through his business venture

Characteristics of Successful Entrepreneurship

1-2

Risk Taker



Challenging



Hard Working



Positive Thinker



Persevering



Creative



Innovative



Team Builder



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Characteristics of Successful Entrepreneurship

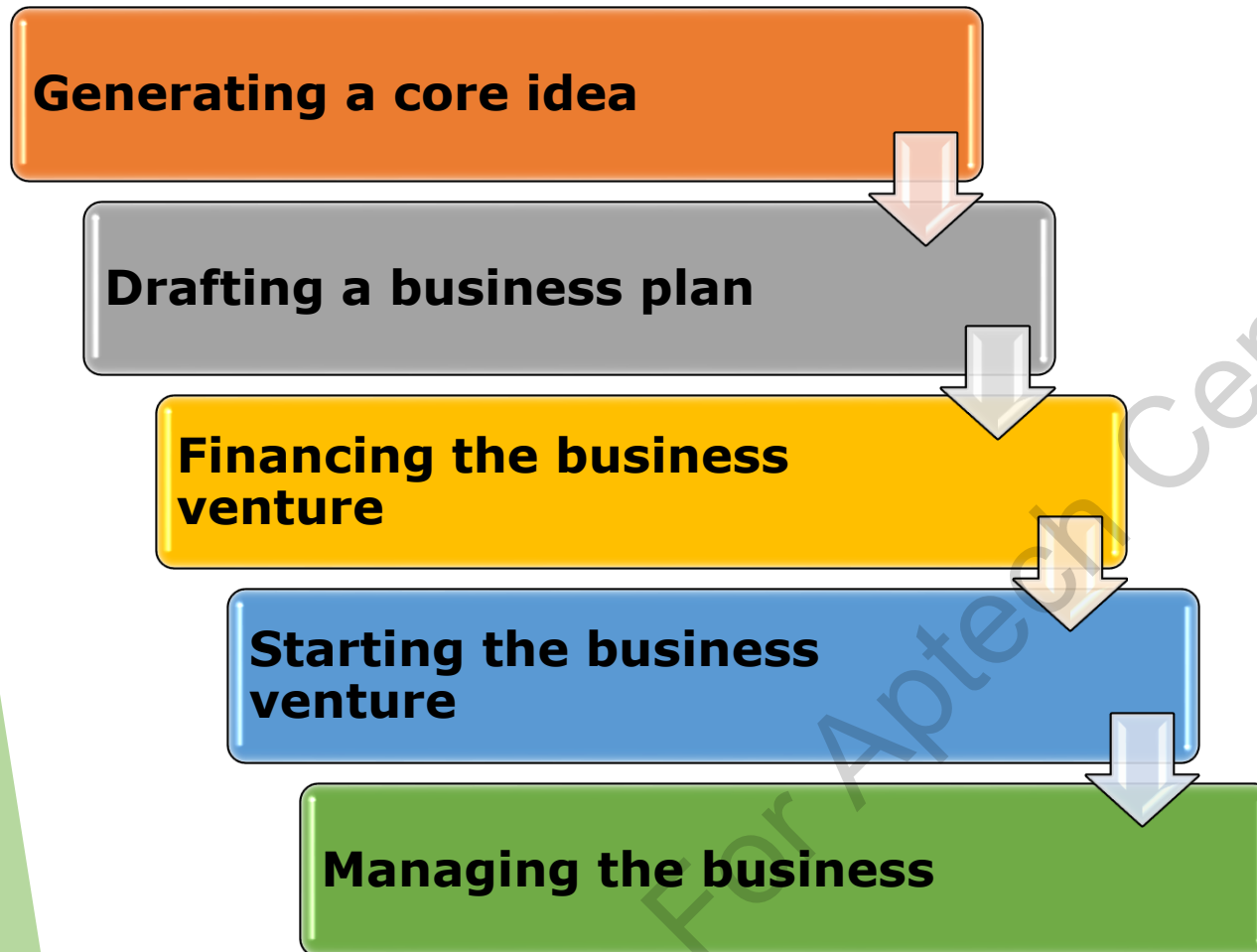
2-2

- **Expertise:** Knowledge that is acquired and gained by learning or through experience
- **Skill:** Ability to do something quite well
- Successful entrepreneurs always seek to enhance their learning and experience.
- **Perseverance:** Ability to continue doing a task despite facing hardships and challenges
- Entrepreneurs must also innovative, inventive, and creative.
- A great team contributes significantly to the success of any business.
- Experienced entrepreneurs view failure as a learning experience.
- Calculated risks must be taken for the entrepreneurship to grow in new directions.



Process of Entrepreneurship

1-4



Process of Entrepreneurship

2-4

Generating a Core Idea

- Research and find the niche in the market
- Track and study customer requirements
- Brainstorm to generate a core idea

Business Planning

- Identify and list out the SMART goals
- Assess potential risks
- Strategize to exploit viable opportunities
- Develop a business plan

Financing the business venture

- Capital has to be infused into the business venture
- Capital can be own or sourced from outside
- Source capital from different sources
- Make provisions for future repayment options

Process of Entrepreneurship

3-4

Starting the business venture

- Launch the business venture
- Marks an entrepreneur's entry into the market

Managing the business

- Manage the business diligently
- Plan and budget cash flows
- Ensure that the business keeps growing

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Process of Entrepreneurship

4-4

Myths	Realities
Entrepreneurs are made from birth.	Entrepreneurs are not born but self-made hard-working people who develop their innate talent and keep acquiring new skills.
Entrepreneurs earn lots of money right from the start of the business.	Most enterprises take considerable time to become profitable. Numerous hardships are involved in sustaining and growing the company.
Money is the best motivator.	Most workplaces currently have a majority of millennials who are more interested in flexibility of work and collaborative work model than money. They would rather earn less money and yet have a happy and satisfying job.
Entrepreneur is solely responsible for the entire business.	Delegation and collaboration are a must to run a business successfully without experiencing a burnout.
A true entrepreneur will never quit.	A true entrepreneur will know when to quit and when to stop pursuing a useless idea while moving on to the next one.
Social media takes care of marketing and advertising.	Most marketing and advertising mails go to spam or are ignored, and are never seen by customers.

Millennials and the Future of Entrepreneurship

1-3

Born on or after 1981

Known as Generation Y or Gen Y

More exposed to smart gadgets

Use social networks

Are confident and tech-savvy

Are goal-oriented



Millennials and the Future of Entrepreneurship

2-3

Benefits

- ✓ Pursue individual endeavors
- ✓ Express individual creativity, imagination, and innovation
- ✓ Generate floating income of their own
- ✓ Work remotely from any geographical location
- ✓ Make a difference in the society
- ✓ Maintain a healthy work-life balance
- ✓ Showcase individual expertise and skills

Challenges

- ✓ Face age-stereotype problems
- ✓ Perceived as distracted and lazy due to use of social media
- ✓ Forced to manage different generations of people
- ✓ Burdened with finding the right funding source
- ✓ Faced with time shortage due to multiple engagements
- ✓ Face higher levels of self-doubt and anxiety

Millennials and the Future of Entrepreneurship

3-3



- The future of entrepreneurship is digital.

- Increasing digital technologies will help manage entrepreneurs.

- There will be increase in the number of women entrepreneurs.

- Entrepreneurial education develops and encourages entrepreneurial skills.

Summary

- An entrepreneur is one who sets up and runs his/her own business.
- An entrepreneur undertakes most of the business risks and also enjoys most of the business profits.
- Entrepreneurship has evolved over many centuries.
- Entrepreneurs contribute positively to a society and the country's economy.
- Entrepreneurship can be divided into different types on the basis of various criteria.
- Numerous special characteristic traits such as perseverance, skills, expertise, innovative, inventive, and so on, make up a successful entrepreneur.
- The process of entrepreneurship involves many steps such as generating a core business idea, securing funding, launching the business, managing, and growing the business.
- Millennials are referred to as people born between 1981 and 1996.
- Entrepreneurial education is aimed at developing and encouraging entrepreneurial skills of young inventors and innovators.