

FUNDAMENTALS OF ENTREPRENEURSHIP

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Meaning of Entrepreneur

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The word Entrepreneur has an interesting definitional history & it stems from a French word "entreprendre" thereby meaning "between- taker or go between or undertaker"

Definitions of Entrepreneur

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Adam Smith (1776) describes the Entrepreneur as an individual who forms an organization for commercial purpose- who is a capitalist.

David McClelland (1961) defined Entrepreneur as an energetic, moderate risk-taker

Characteristics of Entrepreneur

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- ❑ Need for achievement
- ❑ desire for independence or autonomy
- ❑ Desire for responsibility
- ❑ Risk-taking
- ❑ Self-confidence
- ❑ Future oriented & optimistic
- ❑ Energetic activity
- ❑ Organizing capacity
- ❑ Decision making

Types of Entrepreneurs

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(I) Danhof Model

- 1) Innovative Entrepreneurs
- 2) Adoptive Entrepreneurs
- 3) Fabian Entrepreneurs
- 4) Drone Entrepreneurs

(II) Based on Motivational factors

- 1) Spontaneous Entrepreneur
- 2) Motivated Entrepreneur
- 3) Induced Entrepreneur

(III) On the Basis of "to go it Alone or Share the Risk"

- 1) Solo operators
- 2) Active partners
- 3) Partners
- 4) Investors
- 5) Challengers
- 6) Buyers
- 7) Lifetimers

Success factors for Entrepreneurs

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- ❑ Identification & evaluation of opportunity
- ❑ Developing a business plan
- ❑ Building a good organization
- ❑ Determining the needed resources
- ❑ Managing the venture

Definition of Entrepreneurship

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Entrepreneurship is a multi-dimensional task & hence this term has been defined differently by different experts as follows:

Joseph Schumpeter(1930):”

Entrepreneurship is based on purposeful & systematic innovation. It included not only the independent businessmen but also company directors & managers who actually carry out innovative functions.”

Dimensions of Entrepreneurship

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- Purposeful innovation
- Devotion of time & effort
- Risk-taking
- Rewards

Classifications of Corporate Entrepreneurship

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- Administrative Entrepreneurship
- Opportunistic Entrepreneurship
- Acquisitive Entrepreneurship
- Imitative Entrepreneurship
- Incubative Entrepreneurship

Factors affecting development of Entrepreneurship

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I. Internal factors affecting development of Entrepreneurship

1. Desire to work independently
2. Entrepreneurial ambition
3. Forcing or compelling reasons
4. Facilitating or support reasons
 - a) *Occupational or work experience*
 - b) *Moral support*
 - c) *Imitative encouragement*

II. External factors affecting development of Entrepreneurship

1. Availability of financial help
2. Availability of infrastructural facilities
3. Support from government & other agencies
4. Ancillary support
5. Entrepreneurial team
6. Open & meritocratic environment
7. Products & markets

Thank You