

ENTREPRENEURSHIP

CHAPTER 1: Entrepreneurship

I. Entrepreneurship

1. Entrepreneurship

the word entrepreneurship is polysemic and contains different meanings. For example, it can mean skills such as autonomy, creativity, innovation, risk-taking or it can refer to business creation behavior.



3. Entrepreneurship can it be learned ?

“The study of how, by whom and with what effects, opportunities for creating future goods and services are discovered, evaluated and exploited” (Venkataraman, 1997; Shane and Venkataraman, 2000), (Fayolle, 1997). These reflections are confirmed by Kuratko (2005:580) when he writes: « It is becoming clear that entrepreneurship, or certain facets of it, can be taught. Business educators and professionals have evolved beyond the myth that entrepreneurs are born not made. »

Peter Drucker

(1985) : « The entrepreneurial mystique? It's not magic, it's not mysterious, and it has nothing to do with the genes. It's a discipline. And, like any discipline, it can be learned. »



4. Entrepreneur

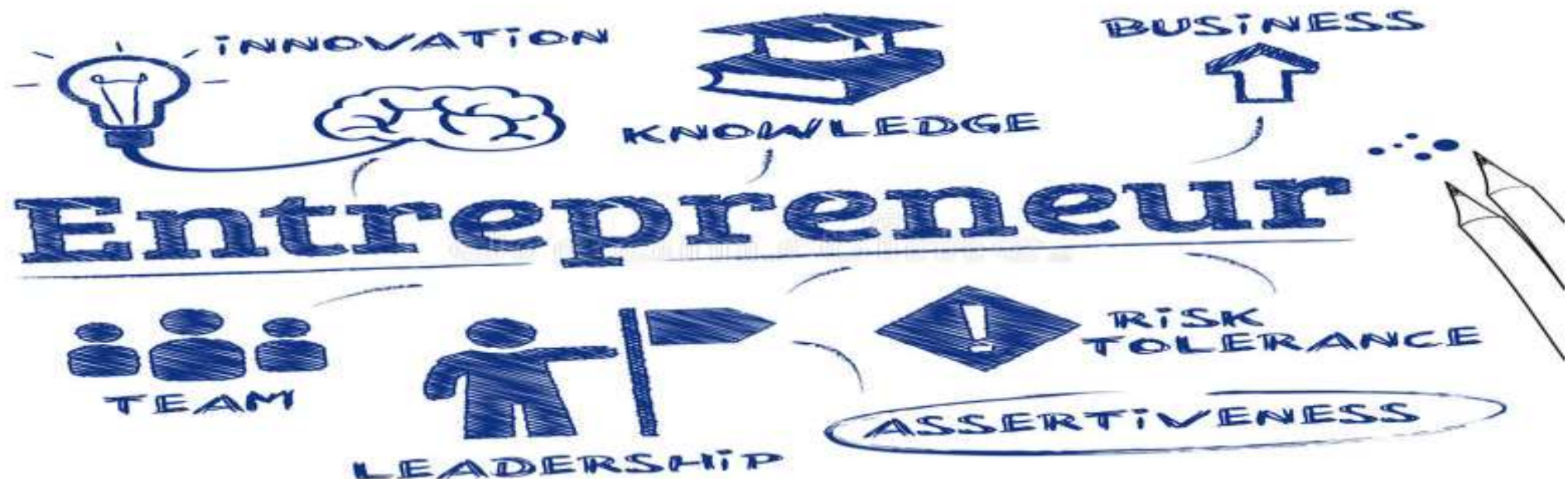
The word 'entrepreneur' is derived from French word 'entrepreneur'. In early 16th century it was applied to those who were engaged in military expeditions. In 17th century the word 'entrepreneur' was used for civil engineering activities such as construction and fortification. It was applied to business for the first time in 18th century, to designate a dealer who buys and sells goods at uncertain prices.



4. Entrepreneur(cont)

The French economist Cantillon, the first to introduce the term entrepreneur, defined him as an agent who purchased the means of production for combination into marketable products.

An entrepreneur is a person who perceives a need and then brings together manpower material and capital required to meet that need.



3. Human/situation match

The 8 questions to ask yourself to optimize the human/project match:

1. My financial resources

I need to take stock of my financial resources, here are the main means of financing:

- My bank account: The first means of financing is of course one's own savings.
 - My friends & families: this is what we call love money
 - Bank loan: Can I take out a loan? Do I already have a loan in progress?
 - Business angels and investment funds: Does my project have enough innovative character to claim investment from business angels or investment funds?
- leasing allows you to finance 100% of a professional property



3. Human/situation match(continue)

2.Skills

Take stock of your skills, what am I capable of doing? sell? build ? draw ? Organize? It is important to create a map of your skills.

This map allows you to take stock of your profile: Technical or rather business/marketing.

3.Your studies

If I studied what subjects I could use to create my business. The subjects were more oriented towards technique or commerce/Marketing. My course is geared towards logistics? towards mechanics? towards pharmacy? towards commerce?



3. Human/situation match(cont)

4. My experiences

Very important point: this is the heart of our know-how. What markets do I master? In which sector have I already worked? What experiences could I use?

5. My Networks:

Point which has a relationship with my experiences. Finding a job, doing business in 90% of the time the network is involved. Which is also the case for opportunities. One of the reasons for starting a business is the business opportunity. I want to create a service for mechanical companies. I have to ask myself the following question. Could I integrate into this market? Generally, having your foot in a network linked to the relevant market facilitates the tasks of recognition and prospecting.



3. Human/situation match(cont)

6.A partner

Here are the two questions to ask yourself

Do I need an additional skill? The most classic: the engineer who partners with a salesperson.

Do I need to share financial risks? Sharing of company shares, which leads to risk sharing. It all depends on the scale of the project but for business creations it is advisable to join forces, do not forget that the number 1 enemy of the entrepreneur is loneliness

7.The Family:

What is my family situation? Do I have any geographical constraints? Do I have the time and energy to complete this project



3. Human/situation match(cont)

8. My tastes and motivation

Let end on this point since I think it is the most important

When creating or taking over a business, the creator must absolutely believe in his product. You must get up every morning with very strong motivation! To be convincing an obligation: to be convinced by your product, the creator must know and love his project !

It's all about common sense and risk management.

As soon as I have an idea I test it with the 8 questions.

Of course everything is possible, it is not because I am young and with few means that I could not make a recovery. This questionnaire was carried out to minimize risk and optimize success in entrepreneurship.

NB: There is not only one way to succeed in entrepreneurship!



4. Types of entrepreneurs

Arthur H. Cole distinguishes between **empirical**, **rational** and **cognitive** entrepreneurs.

Empirical: The empirical entrepreneur hardly introduces anything revolutionary and follows the principle of rule of thumb.

Rational: The rational entrepreneur is well informed about the general economic conditions and introduces changes that look more revolutionary..

Cognitive: The cognitive entrepreneur is well informed, draws upon the advice and services of experts and introduces changes that reflect complete break

from the existing scheme of things.



4. Types of entrepreneurs(cont)

Another classification of entrepreneurs is between **private** and **public entrepreneurs**.

Private entrepreneur is motivated by profit and as such would not enter those sectors of the economy in which prospects of monetary rewards are not bright. General infrastructure industries fall under this category. For example electricity generation and distribution is Government owned. This forces the Government to take the initiative to start enterprises in these sectors.

Thus, we have the category of **public entrepreneurs**. In the less developed countries the entrepreneurial functions of the Government has greatly widened due to the lack of sufficient private entrepreneurs.

Remarque: Another classification is based on the **scale** of enterprise is between **small** scale and **large** scale enterprises.



4. Types of entrepreneurs(cont)

Clarence Danhof classifies entrepreneurs into four types- **innovative, imitative, fabian and drone.**

The Innovative Entrepreneur: The innovative entrepreneur is essentially the creation of Joseph Schumpeter.

Schumpeter's analysis of the innovating entrepreneur is particularly relevant to developing countries where innovations need to be encouraged. In his opinion the most important function of an entrepreneur is innovation.

1- The innovative entrepreneur is a key figure in the process of development.

2- Adoptive or Imitating Entrepreneurs: Imitative entrepreneurship is characterized by readiness to adopt successful innovation inaugurated by innovating entrepreneurs.



4. Types of entrepreneurs(cont)

Clarence Danhof classifies entrepreneurs into four types- **innovative, imitative, fabian and drone.**

3- Fabian entrepreneurship is characterized by great caution and skepticism in practicing any change.

4- Drone entrepreneurs: Drone entrepreneur is one who follows the traditional methods of production. Under no circumstances will a drone entrepreneur change the method of production he has introduced. Such entrepreneurs may even suffer losses, but even then they refuse to adopt and use new methods.



5. Innovation and opportunity

- **a) Innovation:**

- Entrepreneurship is an automatic, spontaneous
- and creative response to changes in the environment. It
- involves innovation of something new to cause dynamic
- change and spectacular success in the economy, and create
- conditions for growth of the economy.



5. Innovation and opportunity

- **b)Opportunity:**

- High demands of commodities(goods , services)
- Resource Abundances (capital,labor,raw,skills,..)
- involves of Support (Government, institutions).



II. Intrapreneurship

The term intrapreneurship is a system that creates an entrepreneurial environment by empowering employees to act like entrepreneurs. A business organisation should give its employees the freedom to experiment and suggest better ways to benefit the culture within the company.



2. Intrapreneurship process

The process of an intrapreneurship involves the following steps:

Step 1: Encourage the employees to bring their ideas to the table by familiarising them with the higher authority they are conveying.

Step 2: Checking the compatibility of the employees' ideas with the goals and objectives of the organisation.

Step 3: Analysing the Ideas from different aspects to identify any scope for betterment.



2. Intrapreneurship process(cont)

Step 4: Approval of the Idea by the team and associates.

Step 5: Conduct the SWOT(Strengths, Weaknesses, Opportunities and Threats) analysis for the final feasibility test of the new project. SWOT refers to strengths, weaknesses, opportunities, and threats.

Step 6: Making an Idea workable by modifying and crafting it. The organisation takes this step after testing it for compatibility and feasibility.



Conclusion

Entrepreneur vs entrepreneurship ?

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Thank You