

AL61-Management and
Entrepreneurship
Unit III

Introduction to
Entrepreneurship

What is an Entrepreneur?

- Entrepreneur is one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalize on them
- More than business creators ..they are change agents
- Creating new and better ways to serve the society
- They create new ideas, making the existing ones obsolete, leads to destruction of old ideas....vibrant economy
- People have many business ideas but don't act on them

The 10 Greatest Entrepreneurs

- 1. John D. Rockefeller - Standard Oil (R&D, Infrastructure) - American
- 2. Andrew Carnegie - Expansion of American steel industry - Scottish-American industrialist
- 3. Thomas Edison - American Inventor - electricity, communication
- 4. Henry Ford - Ford Motor Company - American Businessman
- 5. Oprah Winfrey - American talk show host
- 6. Sam Walton - American business magnate - retailer Walmart
- 7. Charles Schwab - "America's Largest Discount Broker," and later a subsidiary of Bank of America - Merill
- 8. Tom Love - American billionaire businessman - Travel business
- 9. John Johnson - American publisher - CEO of Supreme Life Insurance

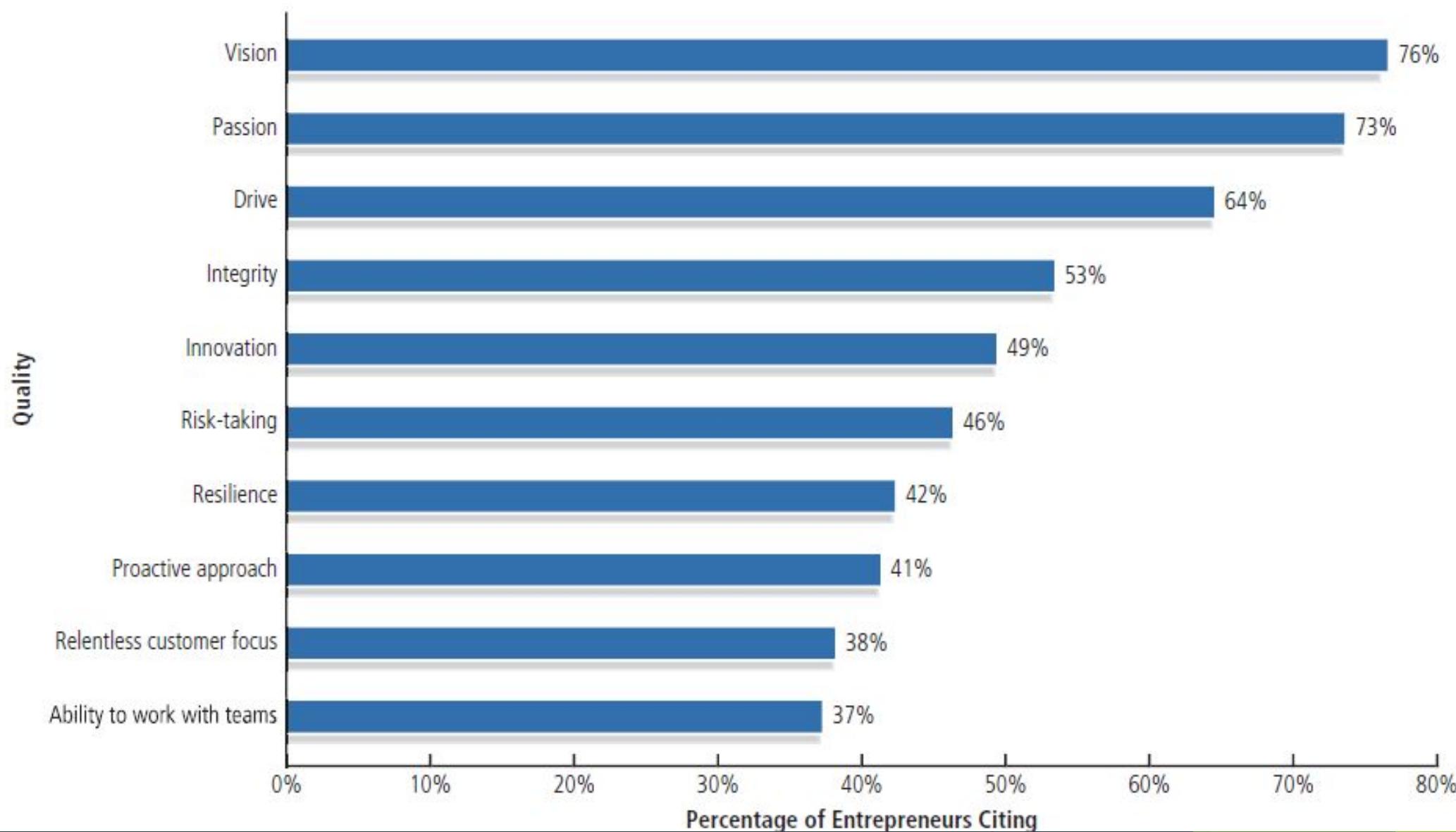
Successful Entrepreneurs in India

- Ritesh Agarwal - Company: OYO Rooms
- Sachin Bansal and Binny Bansal - Company: Flipkart
- Anand Mahindra - Company: Mahindra Group
- Uday Kotak - Company: Kotak Mahindra Bank
- Kiran Mazumdar-Shaw - Company: Biocon Limited
- Shradha Sharma - Company: YourStory
- Bhavish Aggarwal - Company: Ola Cabs
- Vijay Shekhar Sharma - Company: Paytm
- Deepinder Goyal and Pankaj Chaddah - Company: Zomato
- Radhika Aggarwal - Company: ShopClues
- Anil Agarwal - Company: Vedanta Resources
- Falguni Nayar - Company: Nykaa

Entrepreneurial profile - traits

- ▶ Desire for responsibility
- ▶ Preference for moderate risk
- ▶ Self - reliance
- ▶ Confidence in their ability to succeed
- ▶ Determination
- ▶ Desire for immediate feedback
- ▶ High level of energy
- ▶ Future orientation
- ▶ Organizing skills
- ▶ Value of achievement over money
- Commitment
- Tolerance to ambiguity
- Creativity
- Flexibility
- Resourceful
- Hard working
- Tenacity

Most Important Qualities of an Entrepreneur



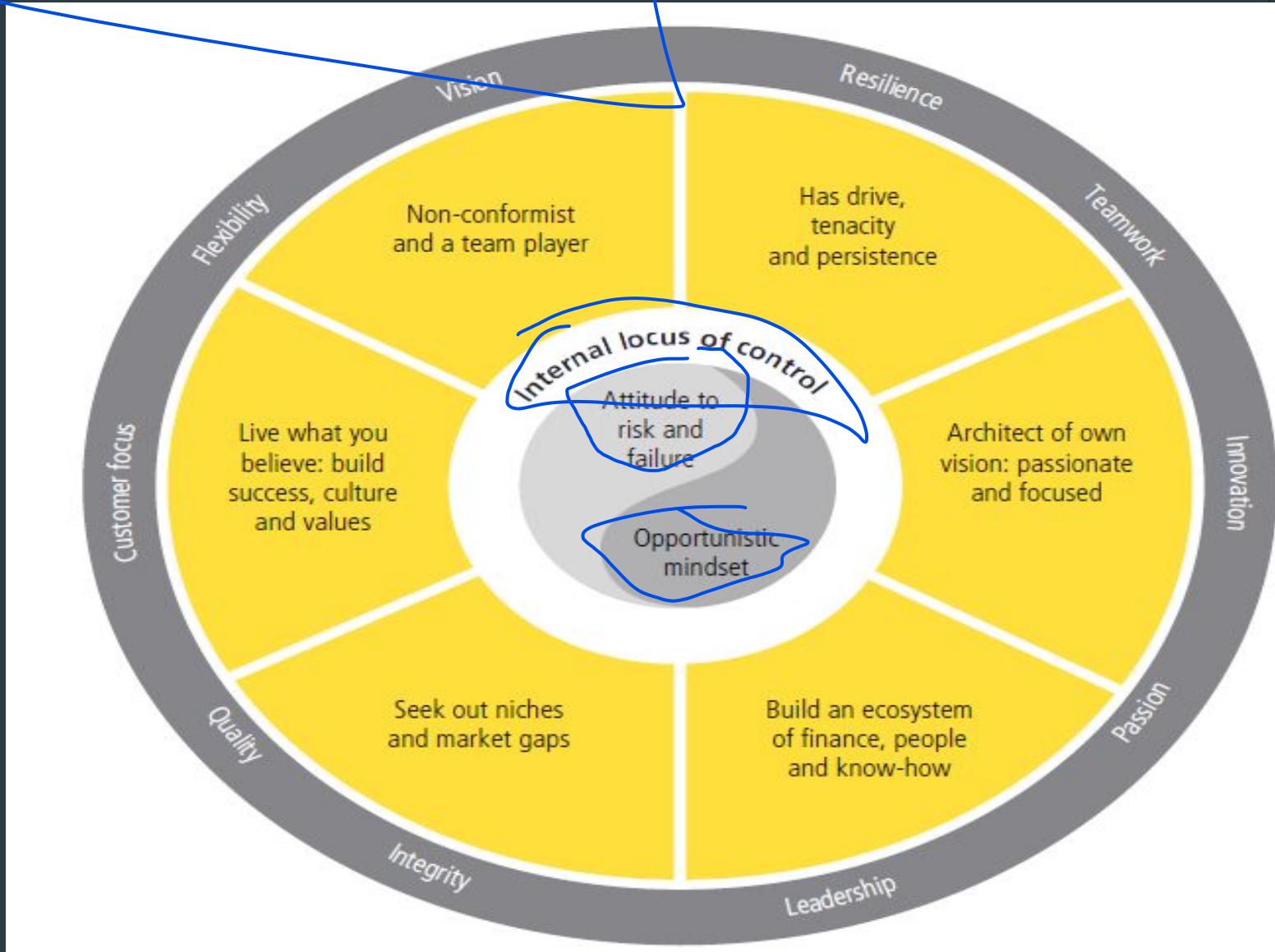
Entrepreneurs

- ▶ Opportunity entrepreneurs - who start businesses because they spot an opportunity in the market place
- ▶ Necessity entrepreneurs - start businesses because they cannot find work any other way
- ▶ Serial entrepreneurs - who repeatedly start businesses and grow them to a sustainable size before striking out again
- ▶ Social entrepreneurs - who use their skills not only to create profitable businesses but also to achieve economic, social and environmental goals for the common good

Benefits of Entrepreneurship

- ▶ Opportunity to create your own destiny
- ▶ Opportunity to make a difference to the society
- ▶ Opportunity to reach one's full potential
- ▶ Opportunity to reap impressive profits
- ▶ To contribute to society and get recognition
- ▶ Enjoy what you do

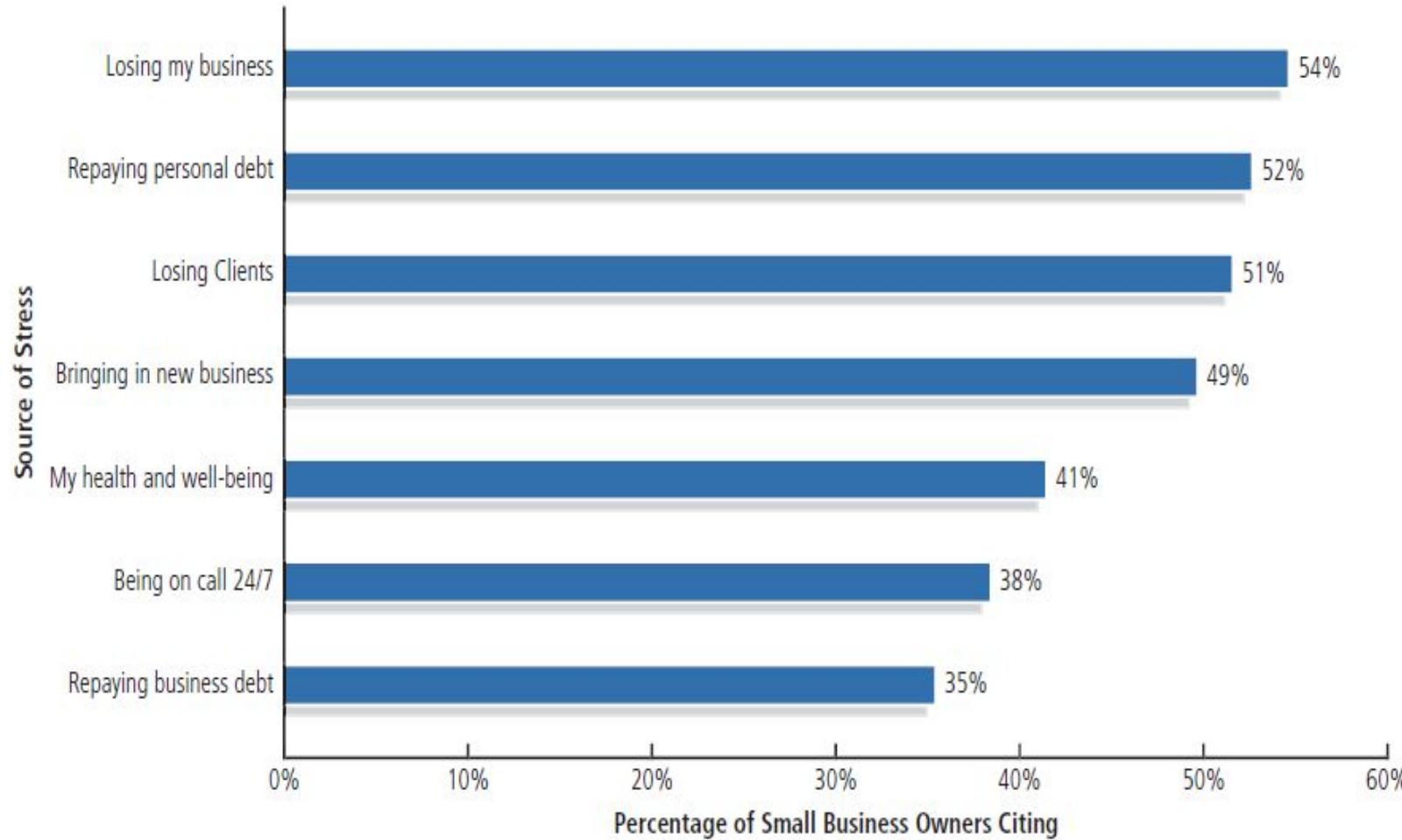
A Structure or Model of an Entrepreneur



Potential drawbacks

- ▶ Uncertainty of income
- ▶ Risk of losing your entire investment
- ▶ Long hours and hard work
- ▶ Lower quality of life until the business is established
- ▶ High levels of stress
- ▶ Complete responsibility
- ▶ Discouragement

Sources of Stress for Small Business Owners



Discussion questions:

- ▶ Why people choose employment over entrepreneurship?
- ▶ What would you choose? Why?

Assignment

Form a group of 4 members;

2 members have to prepare a ppt on 2 successful Indian entrepreneurs

2 members on entrepreneurs abroad

4-5 slides covering the important aspects including the motive

Take print of the ppt and submit as assignment

Inside the Entrepreneurial Mind: from Ideas to Reality

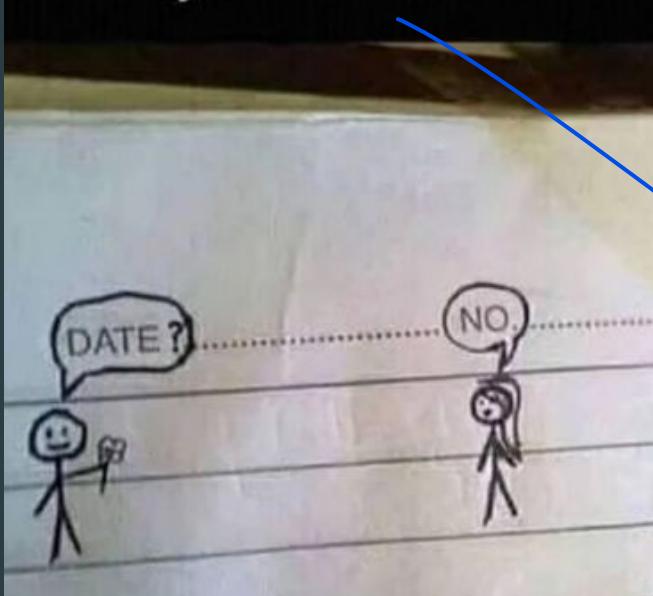
- ▶ Creativity
- ▶ Innovation
- ▶ Entrepreneurship

Creativity, Innovation and Entrepreneurship

- ▶ Creativity - ability to develop new ideas and to discover new ways of looking at problems and opportunities
- ▶ Innovation - ability to apply creative solutions to problems and opportunities to enhance or enrich people's lives
- ▶ Entrepreneurship - result of a disciplined, systematic process of applying creativity and innovation to needs and opportunities in the marketplace
- ▶ Creativity and innovation are integral part of entrepreneurship - looking beyond traditional and orthodox assumptions, trying unusual tactics, pushing forward the technological and economic boundaries, several creative solutions to a problem

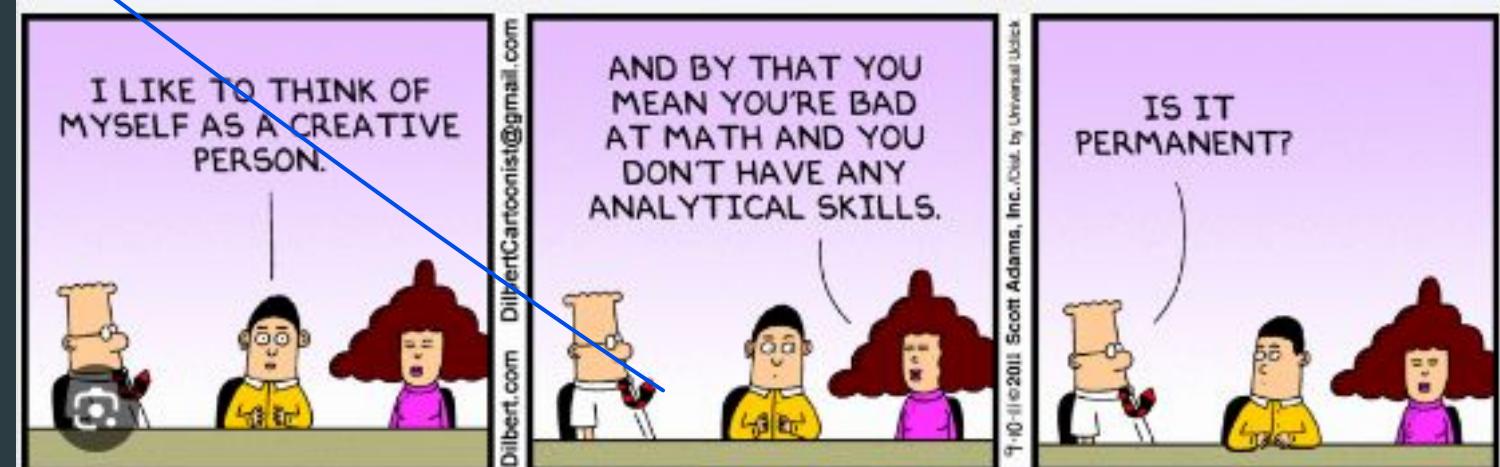
On a lighter note

**All your creativity comes out
when you're bored in class**



Activity

1. Reverse brainstorming - road traffic problem

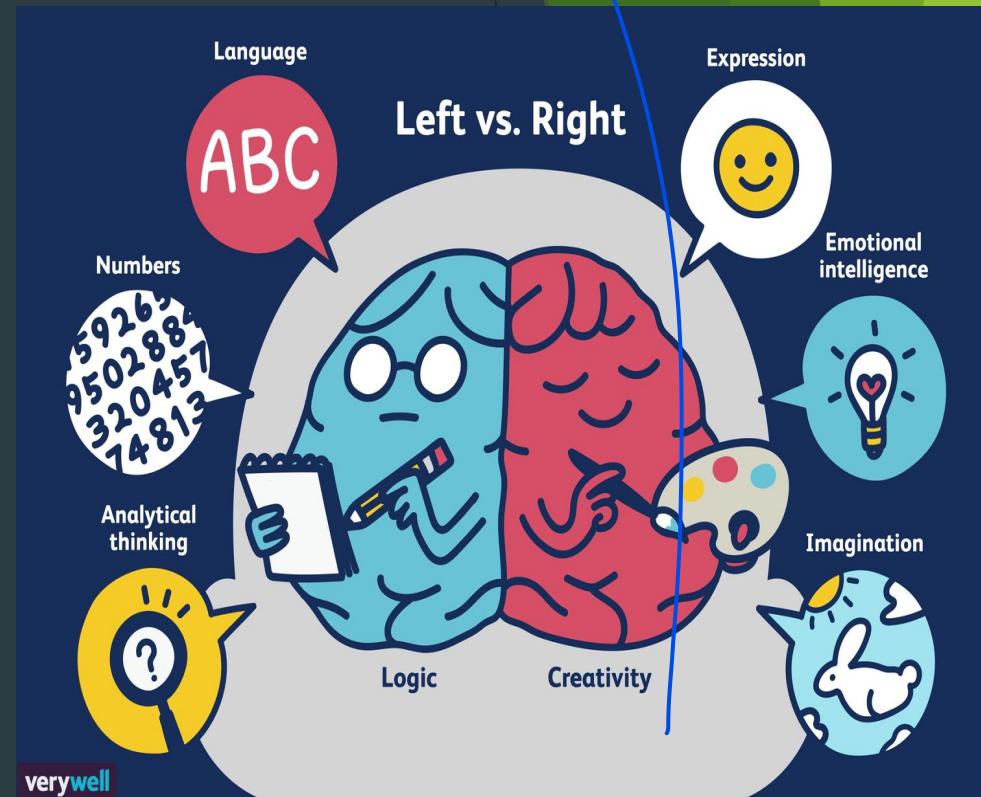


Can Creativity be taught?

- ▶ Every person can be taught techniques and behaviours that help them generate more ideas
- ▶ Most organizations never expect employees to be creative, just follow the traditional methods
- ▶ Environment that encourages creativity

Creative thinking

- The human brain develops asymmetrically, usually each hemisphere tends to specialize in certain functions
- Left brain - linear, vertical thinking, handles languages, symbols and logic, works in step-by-step fashion, narrowly focussed and systematic fashion
- Right brain - lateral thinking (considering the problem from all sides) emotions, intuition, unsystematic, unstructured
- Right brain activities largely influence the creative thinking



Barriers to creative thinking

- ▶ Searching for the right answer
- ▶ Being logical
- ▶ Blindly following the rules
- ▶ Constantly being practical
- ▶ Viewing play as futile
- ▶ Becoming overly specialized
- ▶ Avoiding ambiguity
- ▶ Fearing looking foolish
- ▶ Fearing mistakes and failures
- ▶ Believing that “I am not creative”

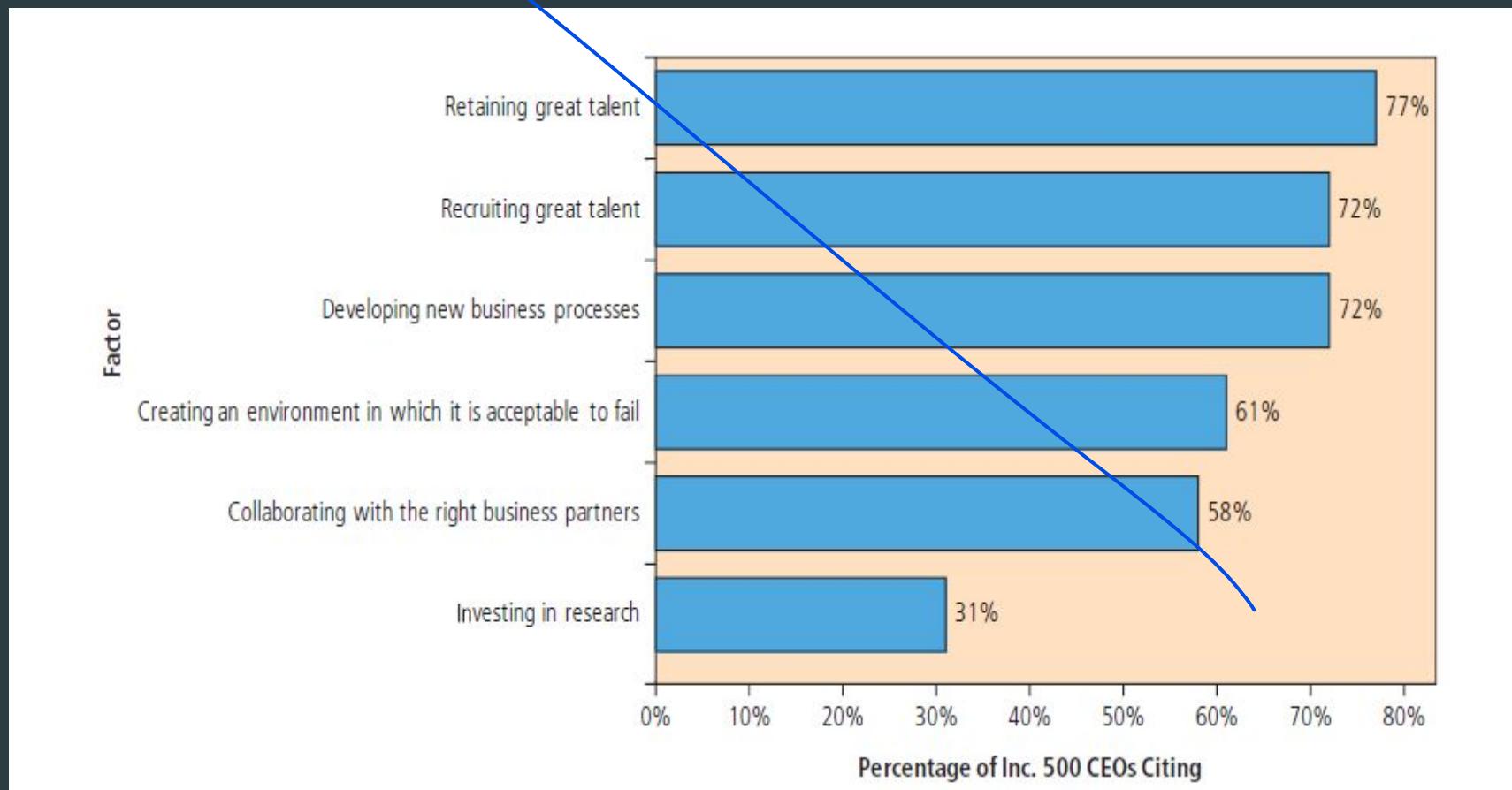
How to enhance creativity?

- Hiring talented people
- Organization structure that nurtures creativity
- ~~Hire diverse workforce~~
- Encourage creativity
- Expect failure and learn from it
- Fun in work environment
- Encourage curiosity
- View problems as opportunities
- Train for creativity
- Reward creativity

The creative process

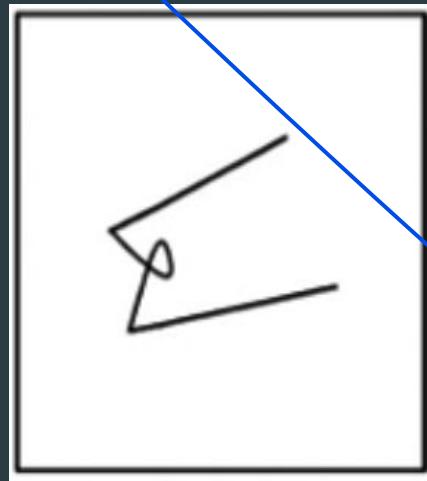
- 1 Preparation - reading, discussing, meetings, listening
- 2 Investigation - understand the problem, careful observation
- 3 Transformation - similarities and differences in information, transform information into purposeful ideas
- 4 Incubation - development, move away from problem, take time to think, relax and play
- 5 Illumination - unexpected shift in our understanding, sudden breakthrough solution
- 6 Verification - check for realistic solutions and usefulness by simulations, test marketing, pilot programs
- 7 Implementation - transform idea into reality, bringing the solution/product to the market

Factors That Contribute to Companies Ability to Innovate

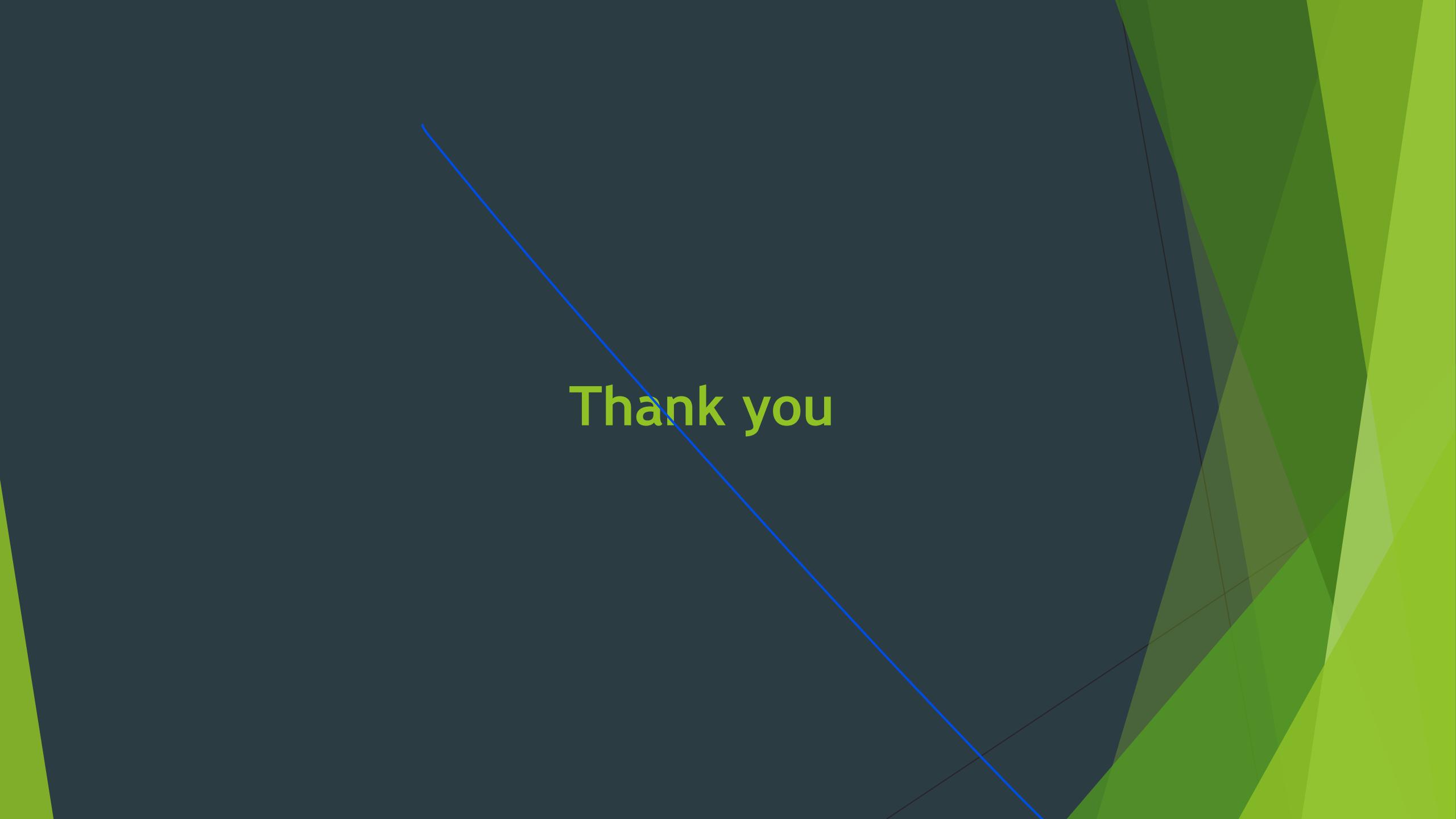


Creativity exercise

- ▶ 3*3 dot matrix - join all the dots in a single stroke. One line 9 dots
- ▶ Complete the incomplete figures



Identify 30 objects
resembling these circles and
write them on the circles



A dark gray background featuring an abstract geometric pattern. It consists of several overlapping triangles in shades of green and yellow. A prominent blue line starts at the top left and extends diagonally down to the bottom right, intersecting the text.

Thank you