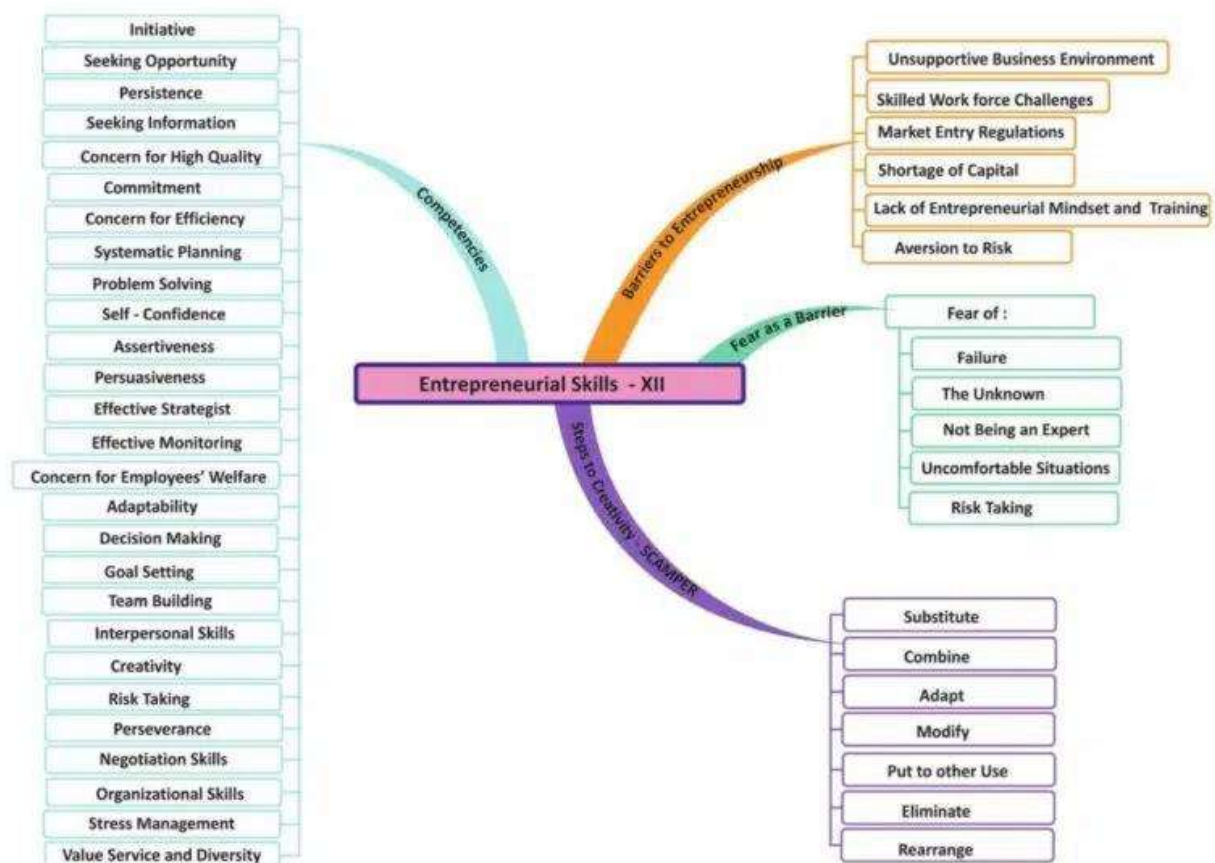




Entrepreneurial Skills Class 12 Notes

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Although each entrepreneur is unique, there are several traits and features that have been seen to be shared by successful entrepreneurs over time. Along with characteristics and attributes, each entrepreneur has a unique motivation for pursuing entrepreneurship as well as a unique road to success.

Barriers to Becoming an Entrepreneur

Simply seeing a need or having a concept for how to fill the gap is not a solid enough foundation for starting a new business. Before they develop a business plan, borrow money, or produce the product, entrepreneurs must be aware of the barriers to entry of the industry.

a. Unsupportive business environment

Due to cartelization, governmental laws, corruption, bribery, bureaucracy, etc., the business climate and ecosystem may not be friendly.

b. Market entry regulations

Barriers to venture formation can include taxes, governmental regulations, licensing requirements, environmental standards, and lending requirements. For starting a new business and entering the market, license is frequently necessary. Entry hurdles to the market include tax disadvantages, a lack of property rights, and tax practices that are predatory.

c. Shortage of capital

Any firm needs capital or finance to develop products or services, arrange the many production components, hire and train staff, advertise and sell, etc. Lack of capital or trouble finding the suitable investor or lender to launch and operate an organization is sometimes a major hurdle to entrepreneurship, particularly in developing nations.

d. Skilled workforce challenges

Employees form the heart of the business. One of the most crucial but overlooked tasks in a business is to build a skilled employee asset base. Lack of appropriate practical and technical skills, lack of qualified employees, employee turnover,

changes in labor laws, increase in employee's financial expectation etc. create barriers towards entrepreneurship and smooth functioning of the business.

e. Lack of Entrepreneurial Mindset & Training

Entrepreneurial mindset refers to having entrepreneurial abilities, being eager to start new businesses, being persistent in trying circumstances, and being flexible. It is a hurdle to entrepreneurship if this kind of thinking is discouraged in any culture.

f. Risk Aversion

Entrepreneurs must choose whether to act so they don't miss the boat while also being aware that taking quick action could sink the boat. Every business involves some level of risk, so it can be difficult for entrepreneurs to succeed if the people in that nation, region, or culture are risk averse.

Fear as a barrier

Fear is characterized as a negative emotion brought on by the perception of danger, whether actual or imagined. Fear is regarded as an emotion in human psychology since it can help a person avoid disaster while at the same time holding them back.

a. Fear of failure

The assumption that everything could go wrong in the business is the basis for the fear of failure. The best way to overcome this fear is to accept that failure.

b. Fear of the unknown

Entrepreneurial journey is full of ambiguities and uncertainties. It is common to avoid uncertainties and unknown because we fear change. Many people are afraid of losing control and being unable to manage potential outcomes.

c. Fear of not being an expert

This fear can become a barrier for many budding entrepreneurs. It is the feeling of not knowing enough about your industry or business or product. Many entrepreneurs are not considered experts in their line of business, but still they make important decisions and solve issues everyday within their industry.

d. Fear of being pushed into uncomfortable situations

Uncomfortable circumstances are those that make you feel afraid. For instance, many people find public speaking to be quite uncomfortable and are afraid of it.

e. Fear of risk taking

Risk can be dangerous and unmitigated or thoughtful and calculated risk. Dangerous risk is more like gambling while calculated risk is more like strategy.

Entrepreneurial Competencies

Certain expertise, abilities, or personality traits are necessary for entrepreneurial behavior. It is commonly referred to as entrepreneurial skill or qualities. A competency may be characterized as underlying personal traits that lead to efficient and/or exceptional performance in a job. The success of an entrepreneur and the accomplishment of entrepreneurial goals are significantly influenced by their entrepreneurial competencies.

Common Entrepreneurial Competencies

In a study by renowned behavioral scientist David C. McClelland and the Entrepreneurship Development Institute of India (EDII), specific abilities were found in successful entrepreneurs who demonstrated exceptional performance. These skills can be acquired in a young entrepreneur through training, experience, and mentoring. These competencies include, among others:

- **Taking Initiative** – It involves taking the initial step toward starting a business and acting.

- **Seeking and Acting on Opportunity** – An entrepreneur is constantly looking for opportunities and is prepared to seize them in the business's best interests.
- **Persistence** – A successful entrepreneur continuously trying, adapting, and iterating to get beyond challenges that stand in the way of reaching objectives.
- **Information Seeking** – A successful businessperson is always alert to new opportunities, open to fresh ideas, and committed to achieving their objectives. He or she is always willing to seek advice from mentors and professionals in order to make the best decisions.
- **Concern for High Quality** – Successful businesspeople are known to not be content with performance that is above average or ordinary. They hold themselves to the highest standards and then give it their all to live up to those ideals. They put a premium on perfection, and it shows in all they do.
- **Commitment** – Entrepreneurs demonstrate a high level of dedication to their job and choices. An entrepreneur must remain dedicated to their business and their objective if they are to succeed.
- **Concern for Efficiency** – Many business owners are constantly looking for innovative ways to boost productivity. They attempt to develop new techniques with the goal of making work simpler, better, and more affordable.
- **Systematic Planning** – Entrepreneurs who are successful make decisions for the future while keeping the desired outcomes in mind. In order to manage a successful business, they think it is important to create plans that are both pertinent and realistic and to make sure those plans are carried out effectively.
- **Problem Solving** – An entrepreneur views every issue as a challenge and does all in their power to identify the greatest solution. He or she will first comprehend the issue before developing a suitable method to address it. **Self-**
- **confidence** – Because they have faith in their own capabilities and qualities, entrepreneurs are not intimidated by challenges. They have complete faith in their expertise, competency, and competence, and they are self-assured enough to handle future uncertainty.
- **Assertiveness** – An assertive individual is aware of when, how, what, and to whom to speak. Entrepreneurs are aggressive when making decisions to make sure that the team's activities and the entrepreneur's choices are in line with the organization's goals.
- **Persuasiveness and Influencing Others** – Entrepreneurs must persuade many groups of individuals at various times, including workers, clients,

customers, suppliers, and so on. An entrepreneur is able to persuade people to agree with him or her by presenting persuasive arguments. **Effective**

- **Strategist** – An effective businessperson is capable of developing pertinent strategies that are intended to protect or advance the objectives and goals of the company. When it comes to addressing potential future uncertainties or problems posed by competitors, etc., strategy is possible.
- **Effective Monitoring** – Entrepreneurs make sure that everything is done in their businesses according to their decisions, but they also offer their employees some latitude. They make sure that work is routinely monitored to ensure that the organization's objectives are met as effectively as possible.
- **Concern for Employees Welfare** – Dedicated, devoted, and loyal personnel have a direct impact on the organization's performance. A successful businessperson works to advance employees' interests, aids in resolving issues they face, and fosters a sense of interdependence between management and employees' interests.
- **Adaptability** – The ability to modify one's thoughts and behaviours in order to appropriately respond to uncertainty, new information, or altered circumstances is referred to as adaptability. Due to the dynamic nature of businesses, adaptation becomes a survival skill in the workplace. **Decision**
- **Making** – Being able to make judgments that, more often than not, determine the future of the business is one of the most crucial characteristics of an entrepreneur. Entrepreneurs frequently have to make that crucial decision at the proper time while in charge of their business because it will determine how it will develop in the future. Additionally, they must take immediate action after making a decision.
- **Goal Setting** – Goal setting refers to establishing short or long-term objectives, usually along with incorporating deadlines and quantifiable measures to indicate if they have been achieved.
- **Team Building** – Any activity or technique that unites people and inspires them to cooperate as a team is known as team building.
- **Interpersonal Skills** – Each team member's communication and interpersonal skills must be consistent and clear for the group to operate effectively.
- **Creativity** – Making small adjustments and modifications to ideas and solutions through time is the process of creativity. Entrepreneurs demonstrate creativity by utilizing the design thinking process, considering

alternatives, attempting unorthodox methods of doing things, and continuously improvising and iterating.

- **Risk Taking** – There is plenty risk taken by entrepreneurs, but it is calculated risk. They estimate the loss and return of the risk using risk management techniques.
- **Perseverance** – It is essential to have patience, persistence, and the willingness to carry on even if the initial battle is lost. Entrepreneurs must remain steadfast, have patience, and have faith in their goals. The only way to find a solution is to try various approaches and methods.
- **Negotiation skills** – Entrepreneurs must have strong negotiating abilities to succeed in business. A business owner's ability to negotiate is important in a variety of situations, including dealing with suppliers, closing sales to customers, employing employees, getting investors, etc.
- **Organizational skills** – In addition to planning and prioritizing their everyday tasks, entrepreneurs need organizational abilities to manage teams, delegate, set goals, continuously evaluate, inspire, and lead those around them.
- **Stress management** – Due to their busy schedules, entrepreneurs must learn how to control their stress. This relates to taking regular breaks, preserving work-life balance, establishing realistic goals, interacting with other like-minded business owners, etc.
- **Valuing service and diversity** – Diversity refers to how a company handles its employees in a genuine manner from the very foundations of its business strategy. A business owner must always keep in mind that those who work for them are truly doing their work for them. People of all races, religions, genders, and other distinctions must be treated fairly and with respect in order for them to coexist and advance together.

Benefits of Entrepreneurial Competencies

- Taking actions to implement your ideas.
- Understanding the need or the problem your offering is fulfilling or solving.
- Strategizing and planning the steps that need to be taken.
- Preparing an action plan and timeline.
- Networking with stakeholders.
- Interacting with customers.

- Gaining and analyzing insights.
- Looking for alternatives and adjusting plans according to analysis and feedback.
- Evaluating and calculating the risk involved.
- Building and motivating a team.
- Being patient and staying motivated to overcome and work around various obstacles.
- Showing the value that the business is creating for stakeholders and customers.
- Gaining the know-how of creating, building, launching, sustaining, managing and growing a business.