

Entrepreneurial Skills

Entrepreneurship may be defined as a systematic innovation which consists of the purposeful and organised search for changes, and a systematic analysis of the opportunities that such change might offer for economic and social transformation.

Enterprise

An entrepreneur is a person who starts an enterprise. The process of creation is called entrepreneurship. The entrepreneur is the actor and entrepreneurship is the act. The outcome of the actor and the act, is called the enterprise. An enterprise is the business organization that is formed and which provides goods and services, creates jobs, contributes to national income, exports and contributes to the overall economic development.

An entrepreneur is a person responsible for setting up a business or an enterprise. He has the initiative, skill for innovation and who looks for high achievements.

An entrepreneur is someone who perceives opportunity, organizes resources needed for exploiting that opportunity and exploits it

Characteristics of Entrepreneurship

Let us now look at some of the distinguishing characteristics of entrepreneurship.

1. Ability to take up risks
2. Believe in hard work and discipline
3. Adaptable and flexible to achieve the goals of enhancing quality and customer satisfaction
4. Knowledge of the product and services and their need or demand in the market
5. Financial literacy and money management skills
6. Effective planning and execution.

Benefits of entrepreneurship

The various benefits include the following:

- **Do what you are interested in:** Entrepreneurship allows you to start and do something you like using your hobbies and skills.
- **Work for yourself, and not for others:** As an entrepreneur, you can work for yourself and not for someone else. You can decide the kind of work you like to do and how you want to do it.
- **Make profits for yourself:** As an entrepreneur, you can decide how much money you want to earn and how you want to earn it.
- **More risk, more profit:** Even though there are risks in entrepreneurship, it allows you to decide how much risk you want to take. Usually, the larger the risk, the bigger could be the profit

What are the myths about Entrepreneurship? Explain any two

Answer- The myths about Entrepreneurship are:

1. Entrepreneurs are high risk takers.
They are neither high nor low risk – takers. They always prefer situations which lead to generating profits.
2. Entrepreneurs become rich as they start a new business.
Starting a business does not mean that person will become rich overnight. A new business always needs a span of year or two to become successful.
3. Entrepreneurs are Job hoppers.
They are not job hoppers. They are the ones who create job opportunities for the people. They work for many years and gain experience before starting any new venture.
4. Entrepreneurs have limited dedication
Dedication is the key to success. An entrepreneur can never be successful unless

- he is dedicated towards his work.
5. Banks don't lend money to start-ups

This is another myth. Banks and various government schemes have been implanted with the idea of providing finance to budding entrepreneurs.

ENTREPRENEUR is a person who:

- Develops and owns his own enterprise.
- Is a moderate risk taker and works under uncertainty for achieving the goal.
- Is innovative.
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- Reflects a strong urge to be independent.
- Persistently tries to do something better.
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- Is prepared to withstand the hard life.
- Is determined, but patient.
- Exhibits a sense of leadership.
- Exhibits a sense of competitiveness.
- Takes personal responsibility.
- Is oriented towards the future.
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Advantages and Disadvantages of Entrepreneurship

To everything in life, there are advantages and disadvantages; entrepreneurship is no exception. As a matter of fact, entrepreneurship involves a lot of risk taking. Yet, it can pay off very well, with rewards such as profits, the opportunity to be your own boss and make your own decisions.

Here are some advantages and disadvantages to consider:

Advantages

Excitement: Due to its high capacity for risk, there is a lot of adventure for example, **Steve Jobs** left his position in Apple Inc., and started Pixar, which later turned out to be a successful venture.

Originality: Some feel that they can offer a new service or product that no one else has offered before, i.e., I-pod and I-pad

Independence: Some wish to be their own boss and make all the important decisions themselves.

Rational salary: They are not being paid what they are worth and would rather work on their own and earn the money they should be earning for their efforts.

Freedom: Entrepreneurs can work on any idea which they feel will eventually turn out to be a successful venture, for instance, **Richard Branson's** idea of space mission.

Disadvantages

Salary: Starting your own business means that you must be willing to give up the security of a regular pay check.

Benefits: There will undoubtedly be fewer benefits, especially when considering that your business will be just starting off.

Work schedule: The work schedule of an entrepreneur is never predictable; an emergency can come up in a matter of a second and late hours may become the norm.

Administration: All the decisions of the business must be made on his/her own; there is no one ranked higher on the chain of command in such a business, and the fear of a wrong decision can have its own effect.

Incompetent staff: Most of the time, the entrepreneurs will find themselves working with employees who "don't know the ropes" as well as they do, due to lack of experience.

Functions of an entrepreneur

A. Entrepreneurial Functions B. Promotional Functions C. Managerial Functions

D. Commercial Functions

A. Entrepreneurial functions

Innovations, Risk-taking, Organisation building

B. Promotional functions

Investigation of ideas, Detailed investigation , Assembling requirement, Financing the proposition

C. Managerial Function

Planning, Organizing, Staffing, Directing, Leadership, Communication, Motivation, Supervision,

Co-ordination, Controlling

D. Commercial Functions

Production, Finance, Marketing, Personnel, Accounting