



Field of Entrepreneurship & The Entrepreneur

Objectives

1. What is entrepreneurship? Why it is important to study?
2. What are causes that thrives people to become entrepreneur?
3. Who is an Entrepreneur? Is he Born or Made?



Vegetable seller



CASE1

- Direct Purchase from farmer at lower price
- Profit will increase

CASE2

- Purchase Direct from farmer
- Apply air tight packaging
- Open another outlet in the same area
- Shelf life of Vegetables increase, Food life, Better taste, High pricing
- More profit

What is the characteristics differences?

Markets



Online **Sabjiwala**.com

Fresh & Best Quality
Handpicked Vegetables

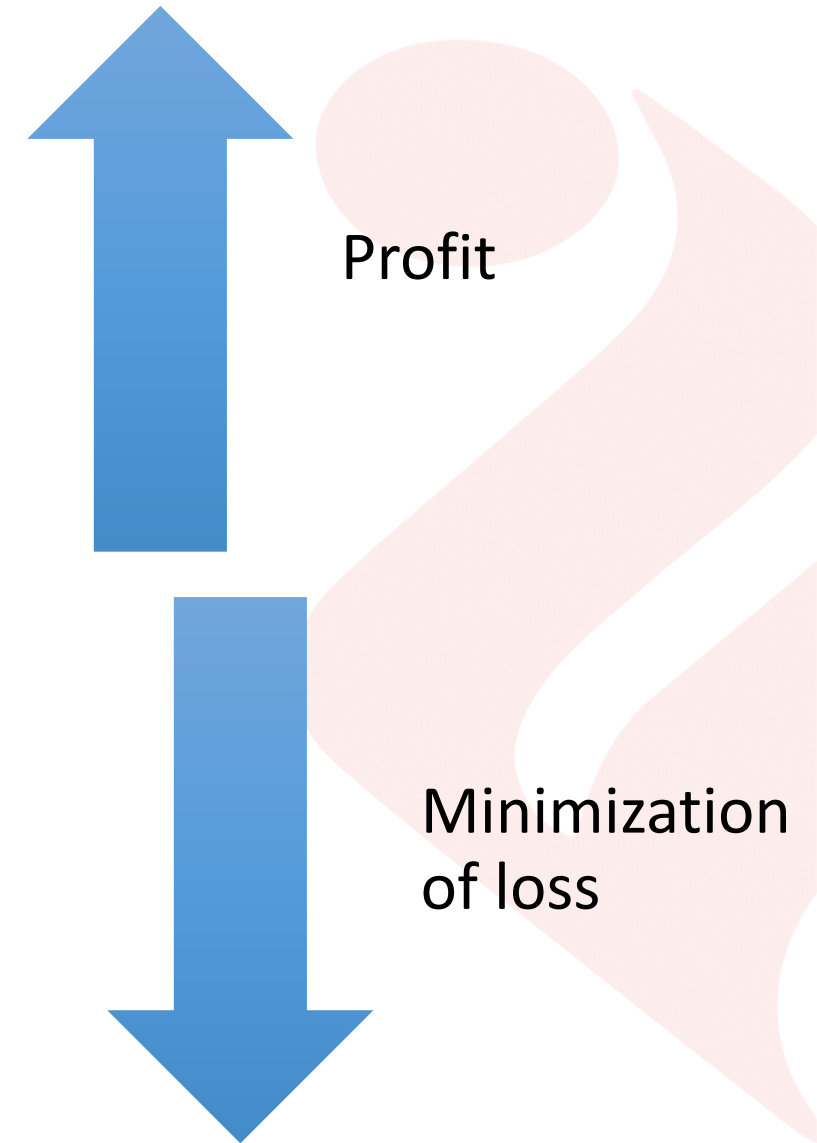


Entrepreneurship?

- Hitt (2001) Entrepreneurship is defined as “Identification and exploitation of previously unexploited opportunities.
- Eckhardt and Shane (2003, p. 336) define entrepreneurship “. . . as the discovery, evaluation, and exploitation of future goods and services . . . [by] . . . creation or identification of new ends and means previously undetected or unutilized by market participants”.

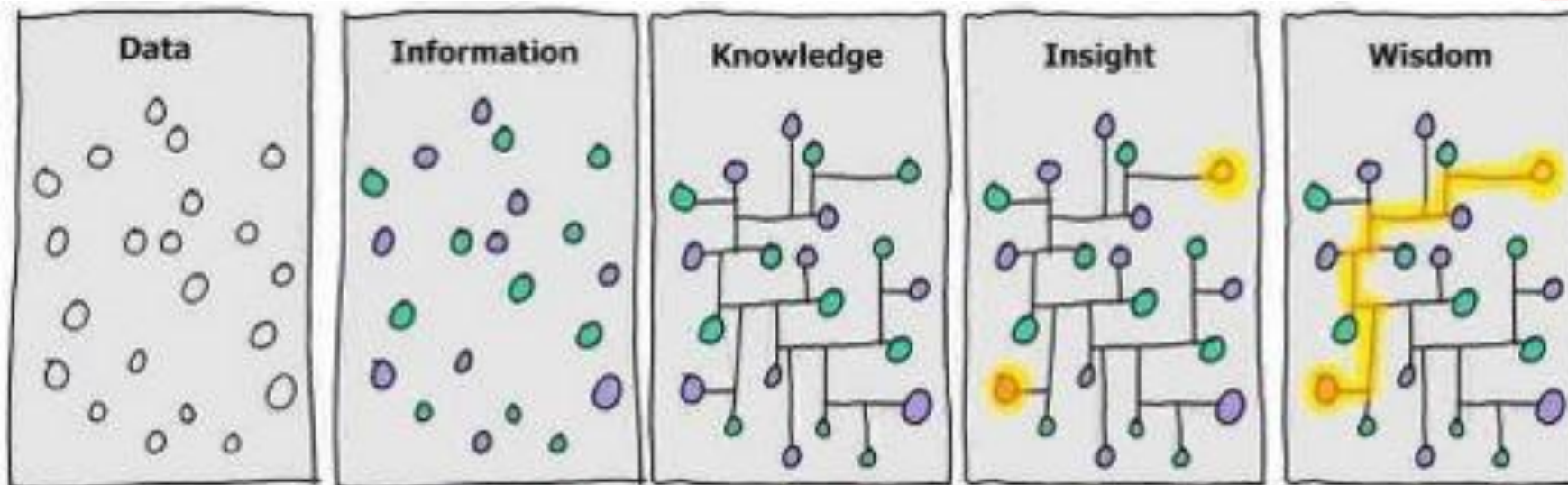
- Entrepreneurship is a process of **discovery**, **evaluation** and **exploitation** of opportunities
- Set of individuals who discover, evaluate and exploit them are entrepreneurs.

- Existence of Need based on feedback from customer and self experience
 - People want Fresh vegetable
 - Shelf life of vegetables
- Evaluation
 - People are ready to pay more
 - Maintenance cost
- Exploitation
 - Processed Vegetables with use of technology
 - Packed and hygienic food on the shop
 - Higher price



Why study Entrepreneurship?

- Usage/creation of existing/future Technology
- Need to focus on Inefficiencies in existing systems
- Crucial engine that drives the change process.
- Study of business without an understanding of Entrepreneurship is like the study of Ramayan without Ram



Entrepreneurial Opportunity

- Casson (1982): Entrepreneurial Opportunity are those situations in which new goods, services, raw materials, and organizing methods, can be introduced and sold at greater than cost of production
- Are all opportunities Entrepreneurial?
 - It requires the discovery of new means-ends relationships.

How do opportunities come into existence?

- Every person has different view of value of resources based on
 - His belief
 - Knowledge
- Based on this belief they may make different conjectures about price at which it should be marketed or a new market is required.
- An opportunity occurs when someone beliefs that the resource is not utilized in its best way.
- People have explored different alternative to utilize the same resource.

- Incremental Venture
- Innovative Venture
- Imitative venture
- Rent-seeking Ventures



Decision to Exploit Opportunity

- Although the discovery of an opportunity is necessary condition for Entrepreneurship..."but not sufficient !"
- Why, When and how to exploit the opportunity
 - Function of characteristics of opportunity (Value, liquidity, risk involved) and nature of the individuals.

In which ways can opportunities be exploited?

- Creation of new firms
- Sale of opportunity to other firms
- Can you be an employee and an entrepreneur.
- Factors
 - Expected value
 - Expected demand
 - Technology life cycle
 - Competition
 - Cost of capital
 - Information from competitor are available



An Entrepreneur

- Entrepreneurs are people that notice opportunities and take the initiative to mobilize resources to make new goods and services.

are
ENTREPRENEURS
BORN or MADE?

traits



Acquired skills

Who is an Entrepreneur?

- There is no attribute that defines an Entrepreneur
- Some of the attribute that may be present in an Entrepreneur are:
 - Risk taking ability-Perception
 - Intention/willingness to exploit opportunity
 - Over-optimist
 - Self-efficacy
 - Internal locus of control
 - Creative
 - Risk averter
 - Either create mean, or end or mean/end
 - Ambitious



What an entrepreneur does?

- Identify opportunities
- Invests resources (time, money)
- Undertakes risks
- Creates an organization
- Process/Develop opportunities
- Exploit opportunities
- In order to generate surplus and sustain an organization



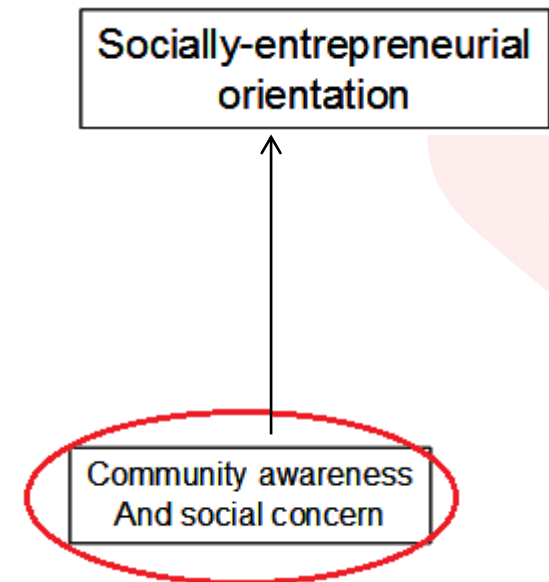
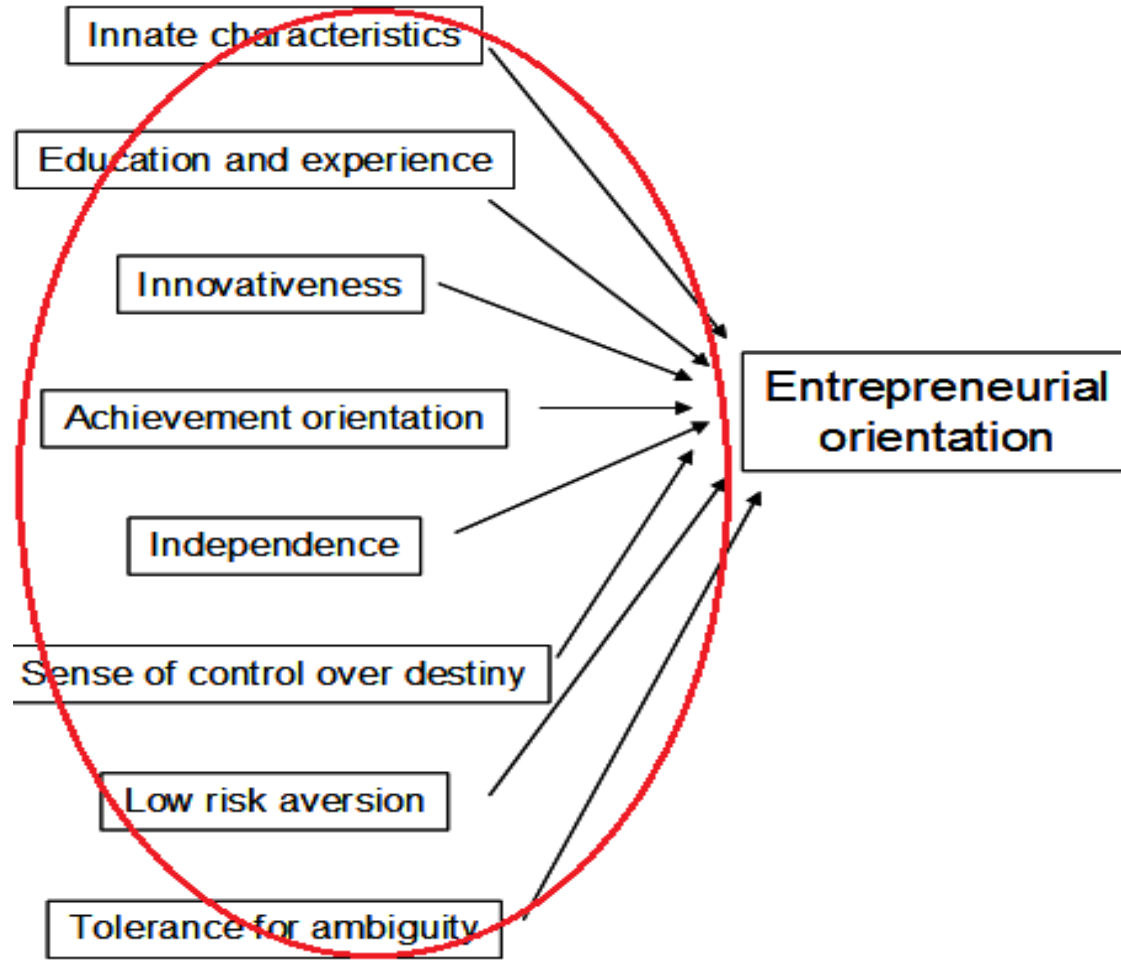
Theories

Type of theory	Basic Idea	Approach
Trait Theory	Human behaviour is traced to the combined effect of individual's inherited capabilities	Trait (enduring characteristics)
Social Learning Theory	Human behaviour results from an individual's past learning, current perceptions, and higher level processing of thinking	State (conditions)

The Sweet Spot



Entrepreneurial Personality



Conclusion

Although traits play a vital role in entrepreneurial success yet they don't guarantee success because entrepreneur & entrepreneurial personality is one of the factor and not the sole one.

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- Krueger, N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: applying the theory of planned behaviour. *Entrepreneurship & Regional Development*, 5(4), 315-330.
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How can we use this information in our teaching?

- Entrepreneurial Mindset
- Opportunity existence
- Design Entrepreneurial capability questionnaire
- Create case of 5 Entrepreneurs for the students and Let them identify these factors that make them entrepreneur.
 - Attributes
 - Behavior
 - Opportunity that they exploited.
- Papers can be shared with students for reading in groups and asked for presentations
- Flipped classroom environment