

What is Entrepreneurship

Who is an entrepreneur?

Evolution

The concept of entrepreneurship was first established in the 1700s. Many simply equate it with starting one's own business. Most economists believe it is more than that.

Definition

1. The entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit.
2. The entrepreneur's role as an innovator who markets his innovation.
3. Entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

Joseph Schumpeter (1883-1950) : The entrepreneur carries out “new combinations,” thereby helping render old industries obsolete. Established ways of doing business are destroyed by the creation of new and better ways to do them.

Business expert **Peter Drucker** (1909-2005) took this idea further, describing the entrepreneur as someone who actually searches for change, responds to it, and exploits change as an opportunity. A quick look at changes in communications—from typewriters to personal computers to the Internet— illustrates these ideas. Most economists today agree that entrepreneurship is a necessary ingredient for stimulating economic growth and employment opportunities in all societies. In the developing world, successful small businesses are the primary engines of job creation, income growth, and poverty reduction. Therefore, government support for entrepreneurship is a crucial strategy for economic development.

Meaning and Importance

It is derived from the French word "Entreprendre" which means "to pursue opportunities" or "to undertake".

Entrepreneurship can be defined as the ability to identify business opportunities, which can be transformed into successful businesses through creative and innovative processes.

An entrepreneur is the person who sees an opportunity in the market gathers his or her resources and creates and grows a business venture to meet the identified needs. This person will bear the risk and will be rewarded with profit if it is successful.

Definitions

“Whilst there is no universally accepted definition of entrepreneurship, it is fair to say that it is *multidimensional*. It involves analyzing people and their actions together with the ways in which they interact with their environments, be these social, economic, or political, and the institutional, policy, and legal frameworks that help define and legitimize human activities”. (Blackburn, 2011, p. xiii)

- “[Entrepreneurship] is complex, chaotic, and lacks any notion of linearity. As educators, we have the responsibility to develop our student’s discovery reasoning and implementation skills so that they may excel in highly uncertain environments” (Neck and Greene, 2011, p. 55).

- “An entrepreneur can be described as 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” (Zimmerer & Scarborough, 2008, p. 5).

Father of Entrepreneurship

Joseph Schumpeter is a distinguished Austrian economist and regarded as the father of entrepreneurship and innovation research.

Economics:

- Scarcity
- Resources allocation
- Making choices
- Not just about money
- Production, consumption, and transfer of wealth

Who was Joseph Schumpeter?

<https://www.youtube.com/watch?v=UCpIWdarLwA>

What is Entrepreneurship?

<https://www.youtube.com/watch?v=RqEetboK1s4>

Creativity Vs Innovation

What is creativity?

Creativity is the ability to think in new ways and apply fresh perspectives to old problems.

“The capability or act of conceiving something original or unusual.”

What is Innovation?

Innovation is applied creativity, in which the spark of a new idea is turned into a novel solution or process.

“Innovation is the implementation or creation of something new that has realized value to others.”

Innovation is realized most vividly in the form of a tool, physical benefit or aid that solves a problem or creates an advantage.

Shawn Hunter, author of [*Out Think: How Innovative Leaders Drive Exceptional Outcomes*](#) (Wiley, 2013).

BUSINESS AND ENTREPRENEURSHIP



1. Objective

- Businessmen run their business for the primary purpose of making profits.
- Entrepreneurs intend to make profits but with a purpose of making a difference.
- They want to change the world by addressing a problem.
- They are passionate about providing unique solutions for problems in the community.

2. Uniqueness that stands out

- A business man might run a business that might be based on a concept that is not original or unique. He can be someone who takes up franchising, renting out flats, and gets profit from running these.
- Businessmen invest energy, resources and time to run the business based on an already existing model.
- On the other hand, an entrepreneur is someone who invests energy, resources and time to build a model that is original and has been evolved from scratch. Even if it's an existing product, he gives a unique spin to it thus carving out a niche space for it.

3. Risks

- The complexity and severity of risks that businesses take are based on calculations. This means that businesses take risks based on math. They take risks after gauging the results of several analysis tests.
- They act before the risk to meet these risks.
- Entrepreneurs on the other hand, sky dive into risks. They are crazy risk takers who would rather act on the risks to overcome them.

4. Time invested to achieve goals

- Businessmen act fast. The aspirations of business owners are grounded on what immediately lies ahead of them. They act for the present and thus act to fortify what lies within reach.
- Since they are more concerned about the everyday operations they are always on their feet.
- Entrepreneurs have a vision that extends beyond the present and into the future. They work towards goals that are not just for that year but for the long term. So they work it out like an art and might be slower than businessmen.

5. Leadership traits

- An entrepreneur is inspirational, innovative, artistic, perseverant and influential.
- He would generally work with or hires people who have the aptitude or potential skill.
- A Businessman is an adept planner, a knowledgeable manager, a result analyst who keeps things in control and has a clear sense of direction. He works with/hires people based on traits and knowledge.