

## ENTREPRENEURSHIP-I

'The eternal power has bestowed each of us with some destined work or assignments in our life'. There are numerous types of work and assignment which are being done by human in his day to day life, as a result of which the cycle of development of human life, society and the civilization does not stop. Concurrently, it is assumed that everyone has to work for their livelihood. When we talk about working to earn a livelihood or for better standard of living, we find or get into some kind of employment. In the process in which some people work for themselves, some for others and some under others. If you are working for yourself independently and generating your own income rather than receiving salary, then you are self-employed.



A self-employed person establishes his own unit or firm to earn by implementing his own innovative ideas, applying his creativity and management skills and by generating his own resources. Self-employment is working for your own job individually or collectively.

Individual who is determined to be self-employed, starts his/her own venture with a sense of ownership as an 'Entrepreneur'. These people run their own business, taste the fruit of success and are also responsible for the failure. They dream for their enterprise to grow and are willing to do whatever it takes to turn their idea into reality.

The aim of an entrepreneur is to create an 'Enterprise'. The process of transforming business concept into a bigger business enterprise, by planning and management skills is said to be 'Entrepreneurship'.

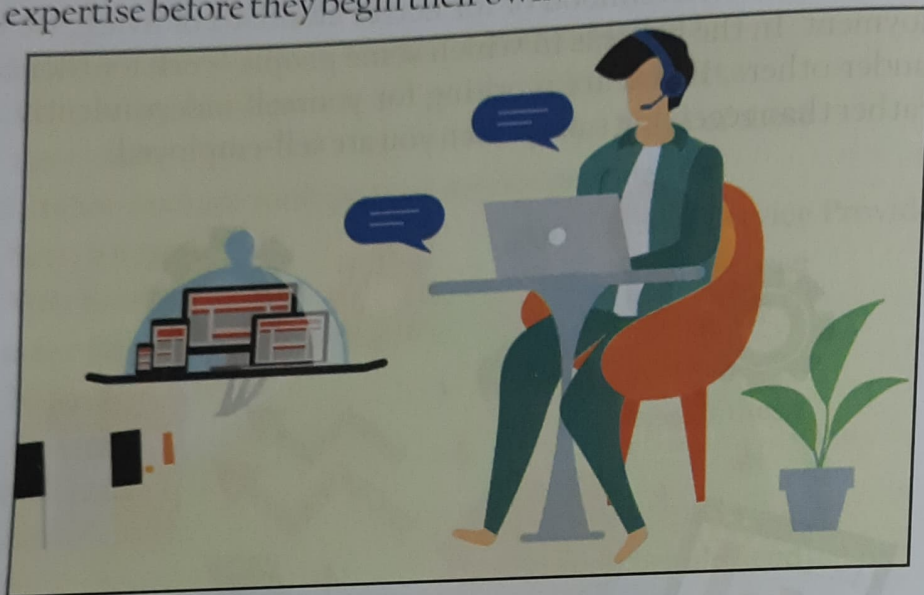


## TYPES OF BUSINESSES

Based on the types of work business can be classified as:

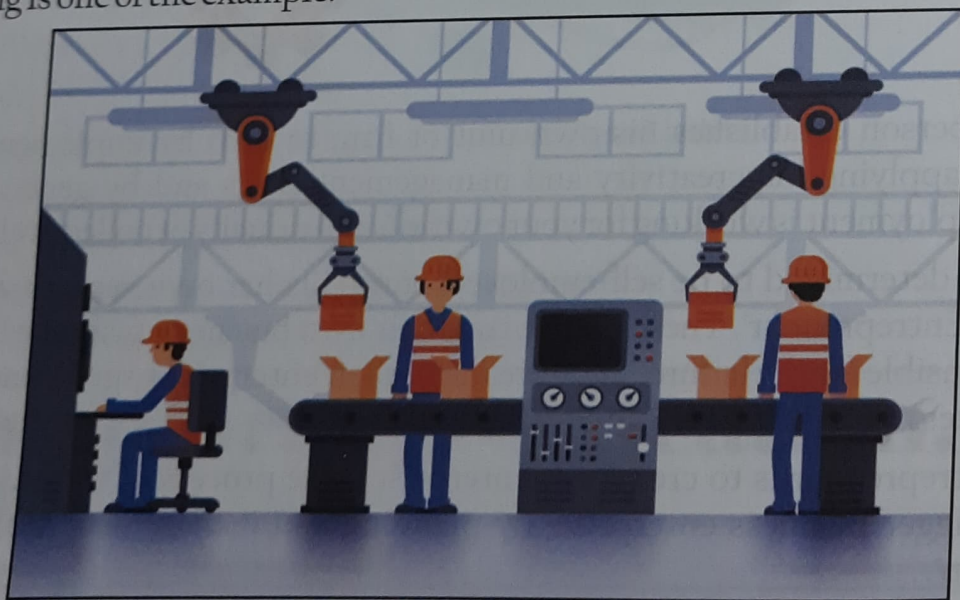
### Service Business

A service type of business is a commercial enterprise that works for its client by providing intellect support or workmanship. The company in this type of business provides certain professional support to its customers. Businesses like restaurants, hardware/software repairing services, salon, interior designing services, banking, etc. Typically, the owner gain lot of knowledge and expertise before they begin their own business in the similar field.



### Manufacturing Business

Manufacturing business usually buys raw material with the intention of using them as ingredients in the making of a new product. It combines raw material, labor and factory overhead in its production. The manufactured goods will then be sold to customers. Hardware manufacturing is one of the example.





### Hybrid Business

Hybrid business are the business in which the entrepreneurs provide service along with the product. They are engaged in services and manufacturing as well. They neither offer pure intangible nor pure tangible commodities. For example restaurants, they offer services in the form of a dining experience and food served as the product.



### TYPES OF BUSINESS FOUND IN OUR COMMUNITY

As an entrepreneur in India, one can own enterprise in the following framework.

#### Sole Proprietorship

Sole proprietorship is a type of enterprise that is owned, managed and controlled by a single individual. The business and the owner have no separate legal existence. All the profits as well as losses belong to the proprietor.

#### Partnership

A partnership firm is formed by two or more people. The owners of the enterprise are called partners. A partnership deed must be signed by all the partners. The profits & losses are shared by the partners. A firm has a limited life span and must be dissolved when any one of the partners dies or claims bankruptcy.

#### Limited Liability Partnership (LLP)

In a Limited Liability Partnership or LLP, the partners of the firm enjoy perpetual existence as well as the advantage of limited liability. Each partner's liability is limited to their agreed contribution to the LLP. The partnership and its partners have a separate legal existence.

#### Co-operative Business

A co-operative business is a member-owned business structure and usually allows a limited distribution of profits to member. It is a kind of private business organization in which the



consumers who use its products and services are its owner. It is a co-operation of individuals who coordinate among themselves to achieve a desired target.

### Limited Company

A company is a legal entity made up of an association of people to undertake some industrial, trading or commercial activity with a motive of earning profits. In companies the ownership of an entrepreneur is maintained by holding shares. Companies are of two kind which are Private company and Public company. A private company's shares are non-transferable and are not issued to the general public. A public company's shares are transferable and issued to the general public through invitation.

## CHARACTERISTICS OF ENTREPRENEURS

Building a successful enterprise is possible only if the entrepreneur possesses excellent leadership qualities. Some critical leadership skills that every entrepreneur has are:

**Self-Starter:** Entrepreneurs know that if something needs to be done, they start it themselves. They are always proactive. They set the parameters and dare to begin.

**Clarity:** Entrepreneurs visualize, plan and set clear targets for every part of the business.

**Hard Working:** Entrepreneurs are hard working. Successful entrepreneurs are adapted to the habit of hard work from the beginning and dare to take decisions.

**Courageous:** Entrepreneurship involves risks and uncertainties. Entrepreneurs are always buckled up for taking risks.

**Foresightedness:** Entrepreneurs have the ability to visualize what will be needed in the future and making wise decisions.

**Creative:** Entrepreneurs have creative mind. They always think out of the box and are always willing to deliver something new to the market.

**Innovative:** Entrepreneurs always keep on researching on new things in order to meet the dynamic needs of customers.

**Networking:** Successful entrepreneurs always look for potential stakeholders and maintain good terms with everyone in the business.

**Communication Skills:** Entrepreneurs have good communication skills, thus they convey their views and ideas with clarity and precision.

**Updated:** In this fast paced world everything changes rapidly and therefore today's entrepreneurs keep themselves updated with what's happening in the business scenario.

**Discipline & Commitment:** Successful entrepreneurs are the first person to arrive at the office and the last one to leave and are very committed towards their work.

**Adaptability:** Business environment evolves rapidly, thus in order to keep the business on track, they adapt to changes. They are always flexible with their way of working.

**Passionate:** Entrepreneurs are passionate about their work. They always put in those extra



hours to make the business successful because their joy is in their work.

## IMPORTANCE OF ENTREPRENEURSHIP

Entrepreneurship is very important for the following reasons:

- It results in the creation of new organizations.
- It brings creativity into the marketplace.
- It leads to improved standards of products.
- It helps to develop the economy of a country.
- It increases employment.

## ROLE & REWARDS OF ENTREPRENEURSHIP

Entrepreneurs are national treasures and should be encouraged and rewarded, as they create new opportunities, jobs and wealth as well. Entrepreneurship is a tough choice but after the initial struggle, its rewards are priceless. It has been seen that an entrepreneur may struggle hard to build his business but we must realize the fact that they are doing a lot more for the community, state, region and the country as a whole. For example, creating wealth, creating jobs, balancing regional developments, improving GDP and per capita income, standard of living, exports to other countries and community development, in this way we can minutely examine the Role of Entrepreneurship.

Entrepreneurs should be aware of the fact that they can only choose to start a business when they are enlightened with the thought. Starting a business at its initial phase might suffer, work hard and even cause repentance. It begins with various challenges as generating a business idea or choosing a product, financing, hiring of employees, team building, delegation of tasks and many more. Besides all these, it also includes some risks. Such as, systematic risks like market risk, interest risk and purchasing power risk and unsystematic risks like business risk and financial risk. Hence, we should realize that it is not always necessary that an entrepreneur will earn profit at a very initial state of his business. Well that was from the negative point of view but it is also a fact that rewards of entrepreneurship can justify its hard work, accepting all the risks and can be rewarded with satisfying work, happy customers and eventually profit. The rewards of entrepreneurship are as follows:

### Be Your Own Boss

Entrepreneurs are independent to take decisions for their business without being answerable to anyone. They build their team and decide the path where they want their business to head towards.

### Do What You Enjoy

If one enjoys what they do then no other thing can stop you to succeed. It is often seen that most of the profitable decisions are made by entrepreneurs, when they took the decision wholeheartedly or only when they are enjoying their work.





### To Be Creative

It requires implementing the new and unique ideas. In this way one can shape any situation the way they want. Creativity in business has always worked for benefit.

### Building An Enterprise

It has been seen that the entrepreneurs who had worked in a related business end up having their own enterprise. Building an enterprise will not only be self-development but will also contribute to the economic growth of the country.

### LIMITATIONS OF ENTREPRENEUR

- Risks of failure
- Work load i.e. 24\*7
- Busyschedule
- Competitive threat
- Multiple jobs
- No regular salary



#### 1. Fill in the Blanks:

- (a) ..... is working for your own job individually or collectively.
- (b) The aim of an entrepreneur is to create an .....
- (c) ..... are the mix of two or more types of businesses.
- (d) LLP stands for .....

#### 2. Write short notes on:

- (a) Entrepreneur
- (b) Manufacturing Business
- (c) Hybrid Business

#### 3. Answer the following Questions:

- (a) Who is said to be Self-Employed person?
- (b) What is Entrepreneurship?
- (c) Explain the types of Business found in our Community.
- (d) List the examples of Service Business.
- (e) List the characteristics of Entrepreneurs.
- (f) What is the difference between Private Company and Public Company?
- (g) Explain the rewards of Entrepreneurship.