

□ Unit 1: Overview of Entrepreneurship

□ Entrepreneurship

□ Definition Of Entrepreneur

□ The Entrepreneurial Decision Process

□ Role Of Entrepreneurship In Economic Development

□ Intrapreneurship

□ Ethics And Social Responsibility Of Entrepreneurship

□ Entrepreneurship

□ Meaning and concept

- Entrepreneurship is concerned with **starting one's own business.**
- **It is a process of** involving various actions to be undertaken to **establish business venture and enterprise.**
- It is the process of **New Value Creation.**
- It is the process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and using the resources to exploit the opportunities for better gain.
- It **results** in the **creation, enhancement, realization and renewals of value** not just for the owners but for **all participants and stakeholders as well as society.**
- **Entrepreneurship = Entrepreneur + Enterprise**

Where,

- **Entrepreneurship = Process of action**
- **Entrepreneur = Person**
- **Enterprise = Business Venture**

□ Entrepreneurship

Definition

- **According to Jack Kaplan,** “Entrepreneurship is the process of planning, organizing, operating and assuming the risk of a new venture.”
- **According to Peter Drucker,** “Entrepreneurship is gathering and using resources to produce results. It is allocating resources to opportunities rather than to problems.”

□ Entrepreneurship

Characteristics

Assumptions of Risks

- Financial risk
- Career risk
- Family and social risk
- Psychic risk

Desire for High Achievement

Creation Of New Venture

Hard Work/smart work

Reaping of Rewards

- Monetary Rewards
- Non-monetary Rewards

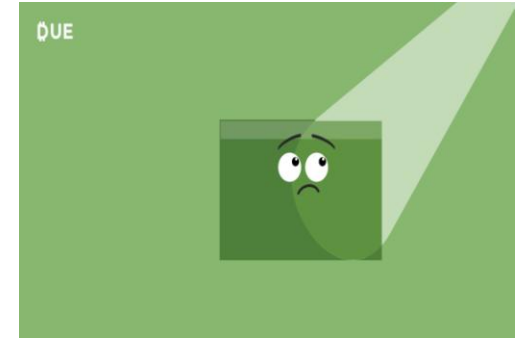
Importance/Role Of Entrepreneurship In Economic Development

- **Capital Formation**
- **Utilization Of Resources**
- **Employment Creation**
- **Revenue Generation**
- **National Integration**
- **Better International Relation**
- **Earning Of Foreign Currency**
- **Equitable Distribution Of Wealth**



☐ Negative Aspects of Entrepreneurship

- **Risk Of Failure**
- **Lack Of Professional Management**
- **Changing Government Policy**
- **Emotional Stress**
- **Low Mobility**



☐ The Entrepreneurial Decision Process

- ☐ **Step 1** Conduct Opportunity Analysis
- ☐ **Step 2** Develop Business Plan
- ☐ **Step 3** Set-up Venture (Start-up)
- ☐ **Step 4** Acquire Financial Resources
- ☐ **Step 5** Implement Plan

□ Types Entrepreneurship

Small Business Entrepreneurship

- Small Business Entrepreneurship **related with small trade and small shop.**
- They **hire** local employees or family.
- Most are **barely** (hardly) profitable.
- Small businesses entrepreneurship are **grocery stores, hairdressers, consultants, travel agents, internet commerce storefronts, carpenters, plumbers, electricians, etc.**

Scalable (Startup) Entrepreneurship

- Scalable business entrepreneurship related with **innovation and information technology.**
- These entrepreneurs start a company knowing from day one that **their vision could change the world.**
- They attract investment from equally **crazy financial investors – venture capitalists.**
- **They hire the best and the brightest.**
- Their job is to search for a **repeatable and scalable business model.** When they find it, their focus on scale requires even more venture capital to fuel rapid expansion.
- startups in innovation clusters in (Silicon Valley, New York, USA), (Sanhgai, China), (Bangalore, India) (Israel, etc.).

□ Types Entrepreneurship

Large Company Entrepreneurship

- Large companies have **finite life cycles** ie **introduction, grow, maturity and declining.**
- **Most grow through sustaining innovation, offering new products or services** that are variants around their core products/services.
- **Changes in customer tastes, new technologies, legislation, new competitors, etc. can create pressure for more disruptive innovation** – requiring large companies to create entirely new products sold into new customers in new markets.

□ Types Entrepreneurship

Social Entrepreneurship

- Social entrepreneurship related with social institution/business/enterprises.
- Social entrepreneurs are innovators who focus on creating products and services that solve social needs and problems.
- **The Community Social Entrepreneur:-** Micro-finance, développement trust,
- **The Non-Profit Social Entrepreneur:-** NGOs
- **The Transformational Social Entrepreneur:-** Nabil School of Social Entrepreneurship, aims to foster socio-economic transformation by promoting social entrepreneurship within the society based on innovative solutions to long-term social problems.
- **The Global Social Entrepreneur:-** Dr. Maria Montessori (Italy) developed the montessori approach, Florence Nightingale (UK) founder of modern nursing, Robert Owen (Newtown, mid Wales) founder of the co-operative movement and Muhammad Yunus (Bangladesh) Founder of Bangladesh's Grameen Bank and recipient of the 2006 Nobel peace prize.

□ Entrepreneur

Definition of Entrepreneur

According to Joseph Schumpeter, “Entrepreneurs are innovators who use a process of shattering the status quo of the existing products and services, to set up new products, new services.”

According to E.E. Hagen, “An entrepreneur is an economic man who tries to maximize his profits by innovations.”

According to Peter Drucker, “The entrepreneur always searches for change, responds to it, and exploits it as an opportunity.”



□ Types of Entrepreneur

A. innovative	B. Behavioral	C. Focus Group
▪ Innovating = new	▪ Solo-Entrepreneurs= sole trade	▪ Women
▪ Imitating = fast copy	▪ Active and Sleeping	▪ Minority
▪ Fabian = after confirm copy	▪ Inventors	▪ Immigrant
▪ Drone = static nature , no change, never copy	▪ Challengers	▪ Part-time ▪ Home-based ▪ Family business
▪ Empire Builder	▪ Life timers G. K. Gupta, Assistant Professor	▪ Corpreneur = couple ▪ Intrapreneurs = Experts

□ Entrepreneur

Traits of Entrepreneur

- Desire for High Achievement
- Desire for Responsibility
- Foresight
- Flexibility
- Good Manager and Leader
- Hard Working
- Innovative
- Independent
- Optimistic
- Risk Bearer

Entrepreneurial Traits



Source: Charles Toftoy, 2001

□ Entrepreneur

Function of Entrepreneur

□ Planning	□ Organizing	□ Mobilizing Resources	□ Relationship Management	□ Control
▪ Setting vision, mission, Goals and objectives	▪ Grouping of Tasks	▪ Financial Resources	▪ Exchange Relationship	▪ Financial Control
▪ Developing Business Plans	▪ Fixed authority and responsibility.	▪ Technological Resources	▪ Professional Relationship	▪ Production Control
	▪ Motivation and leadership	▪ Human Resources	▪ Government Relationship	▪ Management Control
	▪ Two way communication, coordination	▪ Reputational Resources	▪ Social Relationship	

□ Difference between Entrepreneur and Entrepreneurship

▪ Entrepreneur	▪ Entrepreneurship
▪ Entrepreneur is a person	▪ Entrepreneurship is a process.
▪ Entrepreneur is organizer of new venture.	▪ Entrepreneurship is organize in organization.
▪ S/he is a innovator.	▪ It is the process of innovation.
▪ S/he is a risk-bearer.	▪ It is a risk-bearing process.
▪ S/he is a motivator.	▪ It is a motivation process.
▪ S/he is a creator.	▪ It is a creation process.
▪ S/he is a visualiser.	▪ It decide vision.



□ Entrepreneur

▪ Difference between Entrepreneur and Manager

Entrepreneur	Manager
▪ Owner – the owner of own business.	▪ Servant – A manager is a servant of his employee
▪ Profits - earns profits	▪ Salary - earns salary
▪ Full risk bearing - All risks for starting and running venture.	▪ Less or No Risk Bearing – less or no risk
▪ All functions - all the functions of business	▪ Selecting Functions - selective functions of business.
▪ Innovator :-Always an innovator	▪ Executor - an executor, responsible for executing the decisions of the entrepreneur.

□ Intrapreneurship

Meaning and Concept

- **Intrapreneurship is a term coined by Macrae (1982) and developed by Pinchot 1985.**
- **Intrapreneurship is acting like an entrepreneur within a larger organization.**
- **Intrapreneurship is also known as corporate entrepreneurship.**
- **It is concerned with innovation that leads to new corporate divisions or subsidiary ventures in established firms.**
- **According to Pinchot, “Intrapreneurs are “dreamers who do,” those who take hands-on responsibility for creating innovation of any` kind within an organization.”**

□ Difference between Intrapreneur and Entrepreneur

Basis	Entrepreneur	Intrapreneur
▪Post	▪Entrepreneur is employer .	▪Intrapreneur is employee .
▪Operation	▪ Independent in operation.	▪ Depends on the organization to implement his ideas.
▪Risk	▪ Bears all the risk involved in enterprise.	▪Does not bear all the risk .
▪Achievement	▪Exhibits strong or higher need for achievement.	▪May not have high need achievement . May have strong or high need for promotion .
▪Reward	▪ Profit/loss is the reward.	▪Attractive salary, promotion & incentives are the reward.
▪Qualification	▪May not have formal qualification .	▪Should have some professional or technical qualification.
▪Boundary for operations	▪ Do not have any boundary for operations.	▪He has to operate within the organizational policies .

□ Ethics And Social Responsibility Of Entrepreneurship



□ Ethics And Social Responsibility Of Entrepreneurship

<u>□ Ethics of Entrepreneurship</u>	<u>□ Social Responsibility of Entrepreneurship</u>
▪ Respect	▪ Employment opportunity
▪ Honesty and honor	▪ Job security
▪ Truthfulness	▪ Satisfaction and value
▪ Responsibility	▪ Meet legal standard
▪ Result oriented	▪ Protection from sexual harassment
▪ Commitment	▪ Social welfare
▪ Reliability	▪ Sustainable solution

