



# Entrepreneurship

KCA 004/ BAC 1306/ BCT 1203/ BSD  
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# Introduction

## Entrepreneur

The word 'Entrepreneur' is derived from the French word 'Enterprendre', meaning to undertake.

A person endowed with more than average capacities in the risk of organizing and coordinating various factors of production -**F. A. Walker**

A person who searches for change, responds to it and exploits it as an opportunity. - **Peter Drucker**


A person who is willing and is able to convert a new idea (invention) into successful innovation -

**Joseph Schumpeter**

A person primarily motivated by an overwhelming need for achievement and strong urge to build - **David McClelland (1961)**

## TRAITS of An Entrepreneur

Tough, pragmatic (practical oriented) people driven by the need for independence and achievement, rarely submit willingly to authority – Findings of Collins & Moore (1970)




A people prone to insights, ingeniousness and resourcefulness [cleverly inventive, matters involving nvolving new ideas and methods] - Bird (1992)

Cunning, opportunistic, creative and unsentimental

## Overview

An action-oriented person; has the ability to visualize the necessary steps involved from idea generation to its actualization.

Both **a thinker** and **doer**; **planner** and **worker**.  
**Accepts risks** and **manages them**.



All the definitions portray an entrepreneur as **an initiator of action, stimulator of social economic change** and **a harnesser of resources**


## Entrepreneur Vs Manager

- Owner Vs Servant
- Profit (Uncertain) Vs Salary (Fixed)
- Bearing full Risk Vs No risk bearing
- Functions cut across Vs Designated Managerial functions
- Innovator / Planning Vs Executor of plans

# Entrepreneur Vs Intrapreneur

In refers to 'within' organizations

Employees with entrepreneurial talents are encouraged to generate new ideas and convert them into products through research and development



Nurturing talents within allows for personal growth or else such staff exit and start their businesses



# Entrepreneur Vs Intrapreneur

Independent / Dependent

Need not be educated / Highly educated, professional

Has to fundraise to start / Not bothered by funds

Risk bearing / Does not bear risks

Strong authoritarian / Less authoritative ..



# Social Entrepreneur

**A person who uses business as a way to solve social challenges**

Driven by the desire to make a social impact rather than just to make a profit



## **Discussion**

*Give examples of such businesses and the challenges they focus*



Who is an Ontreprenneur / Netpreneur?

## Benefits of Entrepreneurship


The acts of Entrepreneurship are often associated with uncertainty especially when it involves bringing something new to the world whose market *never existed*.

*Discuss with examples the statement..*

Entrepreneurship forces *creative destruction* across markets and industries simultaneously creating new products and business models'

## Benefits of Entrepreneurship

**Fosters economic growth** – Small businesses are changing the lives of communities



*Source of employment, pay taxes, reduce dependence on government support, make use of local raw materials, drive innovations*

## **Increases productivity**

*Ability to produce more goods and services with less labour and inputs*

## **Creates new technologies, products and services**



*Entrepreneurs promote innovative technologies, products and services.*

*Sometimes innovations can trigger many other innovations (Cite examples)*

## **Changes and rejuvenates market competition (market place change)**

*Small businesses serve as agents of change in  
the market economy*



# **Role of Entrepreneurship in economic development**

Promotes capital formation by mobilizing the idle saving of the public

Provides employment

Provides balanced regional development

Helps reduce the concentration of economic power



# **Role of Entrepreneurship in economic development**

Stimulates the equitable distribution of wealth, income and even political power

Encourages effective resource mobilization of capital and skill, otherwise idle



Induces backward and forward linkages stimulating economic development

# Theories of Entrepreneurship

A theory refers to a set of interrelated concepts, definitions and propositions presenting a systematic view of a phenomena.

A good theory can help an entrepreneur understand all the issues of new venture creation without having to start one to understand what works and what doesn't.

# Theories of Entrepreneurship

Innovation Theory (Schumpeter, 1949) –  
Economist

Need for Achievement Theory (McClelland,  
Psychologist)

Hierarchy of Needs Theory (Abraham Maslow,  
Psychologist)

Theory of Entrepreneurial growth (Max Weber,  
Sociologist)