

1. Entrepreneurship

The process of identifying, evaluating, and seizing opportunities to create and manage a new venture, often involving innovation, risk-taking, and resourcefulness. It combines creativity and strategic planning to pursue economic wealth, personal fulfillment, or social impact, regardless of currently controlled resources.

It is *Process-Oriented*, has *Risk and Reward*, is an *Art* and a *Science* and involves both the *Attitude* as well as the *Action*.

ⓘ Role of Entrepreneurship in Society

- **Economic Impact** → Startups generate many jobs, with small firms creating over 80% of new U.S. jobs (1969–1986). It raises income, improves quality of life, boosts wealth, diversifies economies, and expands tax revenue for public services.
- **Innovation** → Introduces new products, services, and processes, replacing outdated systems and creating new markets.
- **Social Benefits**
 - For Individuals, it enables autonomy, skill growth, and personal fulfillment.
 - For Families, it can improve financial security and inspires entrepreneurial mindsets.
 - For Communities, it supports local economies through investment and jobs, especially in underserved areas.

ⓘ Who is an Entrepreneur?

The person who identifies, pursues, and capitalizes on opportunities to create and manage a new venture, assuming its risks and rewards. They organize resources, innovate, and drive change, often with a mindset geared toward action, creativity, and resilience.

- **Types of Entrepreneurs** → Opportunistic, Necessity, Small Business, Scalable Startup, Large Company/Intrapreneur, Innovative, Imitative, Social, Buyer, Hustler, Researcher

Ⓜ Characteristics of an Entrepreneur

- **Innovator** - Introduces new ideas, products, or processes.

- **Organizer** - Combines land, labor, and capital for production.
- **Risk Taker** - Bears financial, reputational, and operational risks.
- **Decision Maker** - Sets business direction through strategic policy decisions.
- **Opportunity Seeker** - Identifies, evaluates, and seizes market opportunities.

An entrepreneur is also motivated, self-confident and resilient with a clear vision of goals.

Why do people become Entrepreneurs?

Entrepreneurship is driven by diverse motivations, shaping the goals, venture type, and success metrics in new venture creation. These reasons fall into three main categories:

- **Personal and Psychological Drives** (Independence, Fulfillment, Career Shift, Financial Gain)
- **Opportunity and Impact** (Seizing Opportunities, Solving Problems, Social Impact)
- **Necessity and External Factors** (Lack of Options, Environmental Changes, Accidental Discovery)

What is an Enterprise?

A business organization/firm created by an Entrepreneur is called an Enterprise.

- The main goal of any enterprise is to make profit.
- They strive to provide good products or services to satisfy their customer requirements.
- It does require a solid financial backhold.

1.1. The Entrepreneurial Process

It is a systematic, iterative sequence of steps to create, develop, and manage a new venture, overcoming resistance to innovation. It consists of 4 phases:

1. **Opportunity Identification and Evaluation** → The foundation of entrepreneurship, focusing on recognizing and assessing viable opportunities. It distinguishes a mere idea from a market-driven, value-creating opportunity.
 - Identify opportunities by staying alert to market needs or consumer feedback.

- Evaluate opportunities based on durability, value, risks, returns, personal fit, and competitive uniqueness.
 - Create an **Opportunity Assessment Plan** to validate the opportunity before planning.
2. **Development of Business Plan** → Crafting a detailed plan to exploit the validated opportunity. It is essential for resource acquisition and guiding venture management. However, it is time-consuming, especially for inexperienced entrepreneurs with limited resources.
- Create a proper business plan with products/services, market analysis, strategy, management, marketing, HR, and multi-year financial projections.
3. **Determination of Required Resources** → Securing the resources needed to launch and sustain the venture. It ensures timely resource availability to execute the business plan.
- Assess current resources and distinguish critical from helpful ones.
 - Acquire resources (e.g., capital, human resources) while minimizing loss of ownership.
 - Identify alternative resource suppliers, potentially relinquishing some control for growth funding.
4. **Management of the Resulting Enterprise** → Implementing the plan and managing the venture for growth and success. It drives the venture toward sustainability and success but some entrepreneurs do struggle with managing growth despite successful startup.
- Execute the business plan using acquired resources.
 - Establish a management style, structure, and control system to address operational challenges.
 - Identify key success variables and resolve issues quickly.

Business Opportunity

A market-driven situation with potential demand, addressing a specific need through a new product, service, or business.

- **Essential Qualities** → Attractive, Timely, Durable and Value-Adding.

Theoretical Perspectives

1. **Discovery (Kirznerian)**
 - Opportunities exist externally due to market imbalances.
 - An alert entrepreneur identifies and exploits existing opportunities, seeking equilibrium.
2. **Creation (Schumpeterian)**

- Opportunities are created through innovation.
- Innovator introduces new products/methods, disrupting markets.