

ENTREPRENEUR

The word originates from the French word Entreprendre which means "to undertake." The term entrepreneur was first used by Richard Cantillon in his essay on "The Nature of Commerce" (1755).

According to Richard Cantillon an entrepreneur was one who buys factor services at certain prices in order to combine them to produce a product and sell it at uncertain prices at the moment at which he commits himself to his costs.

According to Jean Baptiste Say, Entrepreneur is an economic agent who units all means of production land of one, labour of another and capital of yet another and thus produce a product. By selling the product, he pays rent of land; wages to labour, interest on capital and what remains is his profit. Thus, a capitalist provides finance whereas entrepreneur is an organizer. He coordinates, organizes and supervises.

According to Joseph. A. Schumpeter

An entrepreneur is an Innovator who innovates, raises money, collects inputs, organizes talents, provides leadership and sets the organization in proper order.

Hence, Entrepreneur is a

- Uncertainty bearer (F. H. Knight)
- Organiser (J. B. Say)
- Innovator (Joseph A. Schumpeter)
- Industrialist (Adam Smith)
- Opportunist (Peter F. Drucker)

CONCLUSION: A person who tries to create something new, organizes production and undertakes risks and handles economic uncertainty involved in enterprise is an entrepreneur.

Example:

- Jamshedji Nusserwanji Tata
- G.D. Birla
- Jamnalal Bajaj
- Dhirubhai Ambani

Characteristics of Entrepreneurs

An entrepreneur is a highly achievement oriented, enthusiastic and energetic individual, who has following characteristic:

- Risk Taker
- Innovator
- Organiser
- Self-confident
- optimistic
- Decision maker
- Action oriented
- Visionary
- Opportunist
- Leadership
- venture capitalist

Entrepreneurship

According to H. Cole, "Entrepreneurship is the purposeful activity of an individual or a group or associated individuals undertaken to initiate, maintain and aggrandize profit by production or distribution of economic goods and services."

- Entrepreneurship is a process or course of action undertaken by entrepreneur to successfully run an enterprise
- Entrepreneurship refers to an action/ process of entrepreneur (person) towards establishing an enterprise

Innovation: Entrepreneurs often bring innovative ideas to life. They find unique solutions to problems, create new products or services, or improve existing ones, contributing to economic progress.

Types of innovation include:

Product Innovation: Developing new or improved products that offer enhanced features, functionality, or performance. This can involve technological advancements or better meeting customer needs.

Process Innovation: Finding more efficient ways to produce goods or deliver services, leading to cost savings and improved productivity.

Business Model Innovation: Creating new ways of organizing, delivering, and capturing value. This can involve changes to pricing, distribution channels, partnerships, and revenue streams.

Social Innovation: Addressing societal challenges through new approaches, such as developing solutions for healthcare, education, poverty alleviation, and environmental sustainability.

Technological Innovation: Introducing new technologies or applying existing technologies in novel ways to create breakthrough products, services, or processes.

Entrepreneurial traits and personality:-

1. Self-motivated

Self-motivated describes someone who can motivate themselves rather than relying on another person. Self-motivated individuals use discipline and passion to complete essential tasks on time, limiting procrastination and producing results. Entrepreneurs must have a level of self-motivation to overcome challenges and keep up with their business practices.

For example, an entrepreneur might use their self-motivation to send out emails to clients after having a challenging client experience that resulted in a loss of business.

2. Open-minded

Someone open-minded is willing to accept or learn about new ideas and opportunities. That's why open-mindedness is such an essential trait for an entrepreneur. If they remain open to new business opportunities, they could find success in a completely different way.

For example, an entrepreneur starts a workout-app company wherein gym-goers can connect with personal trainers. This idea proves unsuccessful, and so they try to start a social media advertising consultant firm. This business idea helps generate over \$5,000

in revenue during the first two months of operation. Open-mindedness could mean finding success in an area you didn't want to consider.

3. Curious

Similar to open-mindedness, entrepreneurs should also have high levels of curiosity. A curious mind can produce unique and innovative ideas that provide solutions to save a start-up company.

For example, an entrepreneur creates an online recruiting network that allows companies and recruitment agencies to connect with qualified job candidates. They wonder if business would improve by marketing their site toward colleges and universities with career center services for upcoming graduates. This idea helps jumpstart site revenue while also creating a primary customer base.

4. Proactive

When an entrepreneur is proactive, they cannot only anticipate change but also take preemptive measures that help them conquer those changes. For example, a self-employed HR consultant creates their own online course and eBook to predict a rise in competition across the industry.

5. Health-conscious

Entrepreneurs tend to lead healthy, balanced lifestyles so they can have the energy to operate their business ventures. For example, an entrepreneur might make a point to work out every morning, or they might take a day off to recharge after a long work week.

6. Creative

Another trait of entrepreneurs is creativity. Regardless of their business's industry, they have to come up with new ideas and solutions to guide their company forward. For example, an entrepreneur comes up with a unique marketing idea where they record a video series about entrepreneurship to drive traffic to their website.

7. Persuasive

Entrepreneurs should have a level of persuasiveness to convince investors to donate funds and to persuade customers to buy their products or services. For example, an entrepreneur prepares a presentation to give to potential investors about their projections for the company's growth within the next five years.

8. Brave

Bravery is another entrepreneurial trait from which you can benefit. Entrepreneurs regularly take risks from the moment they decide to start their business, and they must have the courage to accept criticism. For example, an entrepreneur puts in their two-week notice at their nine-to-five job before operating their start-up full-time.

9. Team-oriented

Entrepreneurs might start as sole-proprietors, but with the right business tactics, they could soon have several employees working under them. That is why it is so crucial for entrepreneurs to be team-oriented.

For example, an entrepreneur takes on three other employees to help with sales calls and content creation. They hold daily meetings, listening to their employees' concerns and involving them in decisions.

10. Youthful

Regardless of age, entrepreneurs should have a young perspective to keep evolving their business and combat working odd hours. For example, an entrepreneur spends the evening after meeting with clients all day to work on a new software application.

11. Humble

Entrepreneurs typically have a humble attitude because they understand the work that goes into creating and maintaining a successful business and how success can drop. For example, a successful entrepreneur makes a point to respect others and show gratitude for their business.

12. Punctual

Another excellent trait for entrepreneurs is showing up early to meetings and events. For example, an entrepreneur arrives 20 minutes early to a lunch meeting with a prospective client.

13. Humorous

Humorous entrepreneurs can laugh at their mistakes and move on from them. For example, when an entrepreneur sends an email addressed to the wrong client, they remedy the situation by sending a second response before getting back to work.

CHALLENGES OF ENTREPRENEURSHIP

Uncertainty and Risk: Entrepreneurship inherently involves uncertainty and risk. Starting a new venture or introducing a new product/service comes with the possibility of failure. Managing these risks while making informed decisions is a key challenge.

Financial Management: Securing funding, managing cash flow, and balancing expenses against revenue can be daunting. Entrepreneurs often face financial constraints, especially in the early stages of their ventures.

Market Competition: Entering a competitive market requires differentiation. Standing out from established players and gaining a share of the market can be a significant challenge.

Lack of Resources: Limited access to capital, skilled personnel, technology, and other resources can hinder the growth of a startup. Entrepreneurs need to be resourceful in maximizing what they have.

Building a Strong Team: As a venture grows, finding and retaining skilled employees becomes crucial. Building a cohesive team that shares the vision and works effectively together is challenging.

Scaling Up: Transitioning from a small startup to a larger operation can be complex. Entrepreneurs need to plan for expansion, manage increased demand, and maintain quality while growing.

Adaptation and Change: The business landscape evolves rapidly. Entrepreneurs must be agile and adaptable to shifts in technology, consumer behavior, and market trends.

Failure and Resilience: Facing failures, setbacks, and rejection is common in entrepreneurship. Building resilience and learning from failures are essential for growth.

Isolation and Loneliness: Entrepreneurship can be isolating, especially for solo founders. The lack of a support network can impact mental health and decision-making.

Managing Growth: Rapid growth can strain resources, processes, and systems. Entrepreneurs need to ensure they're prepared to manage growth effectively.

Balancing Work-Life: Entrepreneurs often invest significant time and energy into their ventures, which can lead to challenges in maintaining a healthy work-life balance.

Staying Focused: The entrepreneurial journey is full of distractions. Staying focused on core goals and avoiding "shiny object syndrome" is a constant challenge.