

IT 229:Information Technology Entrepreneurship and Supply Chain Management

**Bachelor of Information Management (B.I.M.)
Eight Semester**

WELCOME

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Assistant Professor**

Course Objective

- ❑ The main objective of this course is to develop entrepreneurial skill.**
- ❑ And the another objective of this course is to develop knowledge about supply chain management.**

IT Entrepreneurship and Supply Chain Management

IT-229

Books:

Supply chain Management, Strategy, Planning, and Operation By Sunil Chopra, Peter Meindl (Third Edition)

Entrepreneurship (Fifth Edition) By Robert D. Hisrich and Michael P. Peters

Management information system (Managing the digital firm) by Kenneth C. Laudon and Jane P. Laudon (Ninth edition)

Management Information system by James O' Brien (sixth edition)

Course Contents

- ☐ **Unit 1: Overview of Entrepreneurship**
- ☐ **Unit 2: Business Plan for a New Venture-Introduction**
- ☐ **Unit 3: Overview of Supply Chain Management**
- ☐ **Unit 4: Co-ordination in a Supply Chain**
- ☐ **Unit 5: Supply Chain Performance: Achieving Strategic Fit and Scope**
- ☐ **Unit 6: Supply Chain Drivers and Matrices**
- ☐ **Unit 7: Designing the Supply Chain Network**
- ☐ **Unit 8: IT in a Supply Chain**
- ☐ **Unit 9: Planning demand and Supply in Supply Chain**
- ☐ **Unit 10: Supply Chain Globalization**
- ☐ **Unit 11: Entrepreneurial Supply Chain**

☐ Unit 1: Overview of Entrepreneurship

☐ **Entrepreneurship**

☐ **Definition Of Entrepreneur**

☐ **The Entrepreneurial Decision Process**

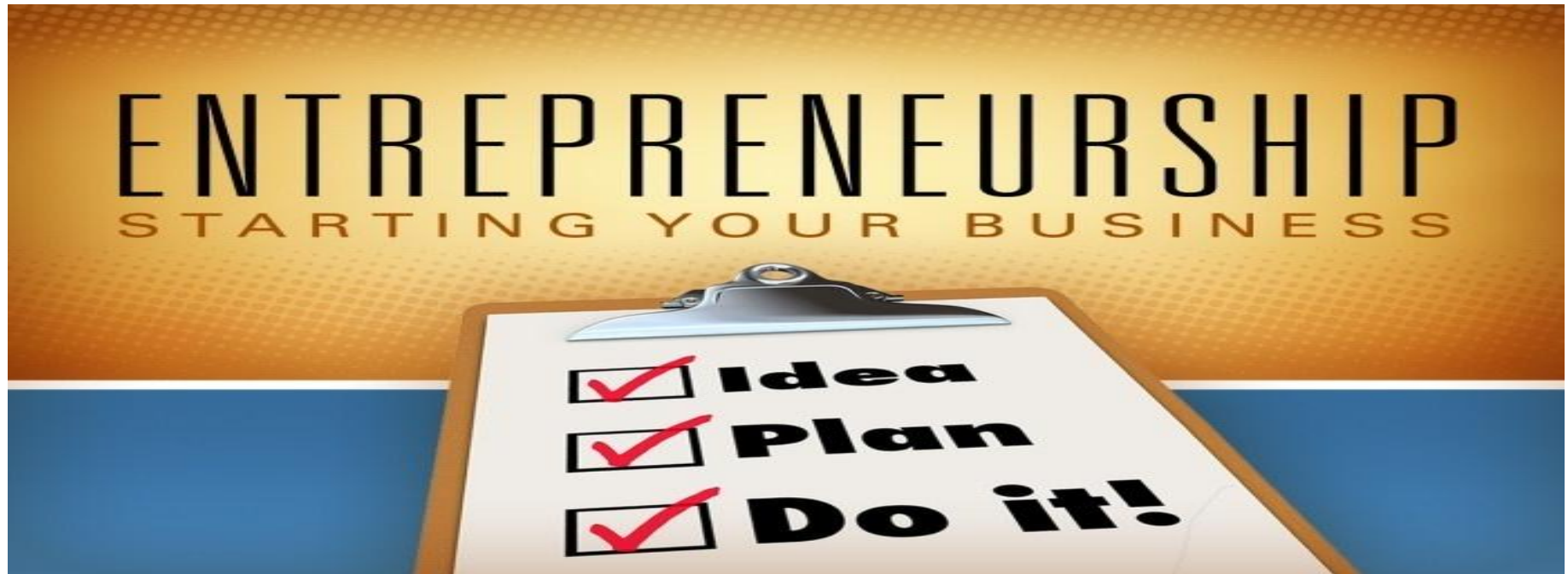
☐ **Role Of Entrepreneurship In Economic Development**

☐ **Intrapreneurship**

☐ **Ethics And Social Responsibility Of Entrepreneurship**

□ Entrepreneurship

- **Meaning and concept**
- **Definition**
- **Characteristics**
- **Importance/role**
- **Types**



□ Entrepreneurship

□ Meaning and concept

- Mainly, there are four factor of production.
- They are land, labor, capital and enterprises.
- So rent for land, wages for labor, interest for capital and profit for entrepreneurship
- Enterprises is concerned with entrepreneurship.
- So, this is the entrepreneurial age.

The Factors of Production

Land



Land includes the “gifts of nature,” or natural resources not created by human effort.

Capital



Capital includes the tools, equipment, and factories used in production.

Labor



Labor includes people with all their efforts and abilities.

Entrepreneurs



Entrepreneurs are individuals who start a new business or bring a product to market.

□ 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

□ Meaning and concept

- Entrepreneurs are driving a revolution that is transforming and renewing economies world wide.
- It converts **inventions into innovations**.
- New and emerging business create a **very large proportion of the innovative products and services** that transform the way we work and live, such as **personal computer (PCs), computer software, information technology, the internet and the world wide web (www or web), biotechnology, drugs, high-tech industries, overnight package delivers or cargo services, etc.**
- **Entrepreneurship** is concerned with the activity **whatever entrepreneurs do.**
- **The people who set-up** their business are called **the entrepreneurs.**

□ 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
- Desire for High Achievement
- Creation Of New Venture
- Hard Work/smart work
- Reaping of Rewards

□ Entrepreneurship

Characteristics

□ Assumptions of Risks

- Risk is an **inbuilt element** of any business venture.
- Entrepreneurship should be **risk bearing to cater uncertainty of future.**

The risks involved in entrepreneurship are:-

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



□ Entrepreneurship

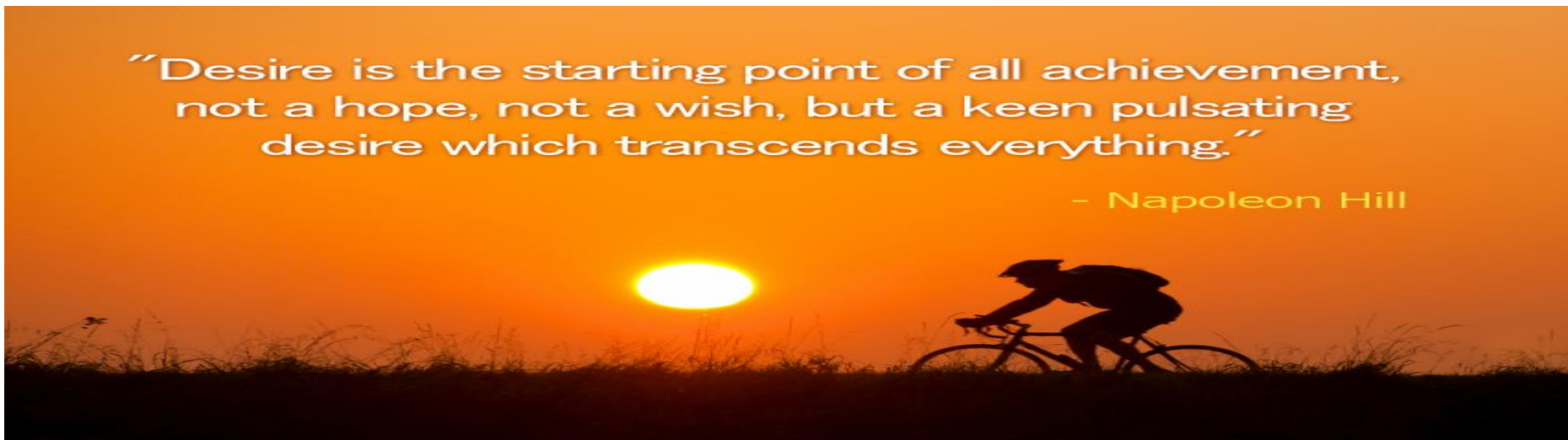
Characteristics

□ Desire for High Achievement

- Based on entrepreneurship, the entrepreneurs have a **strong desire to achieve high goals** in business ventures.
- This **high achievement motive strengthens** them to surmount the **obstacles, suppress anxieties, repair misfortunes and devise expedients** and only set up run a successful business.

“Desire is the starting point of all achievement, not a hope, not a wish, but a keen pulsating desire which transcends everything.”

- Napoleon Hill



□ Entrepreneurship

Characteristics

□ Creation Of New Venture:-

- Entrepreneurship gives the **birth to new business venture.**
- So it is concerned with **creation of new ventures with new and different ideas.**
- It involves **innovation of new things to effect dynamic changes** and good success in economy.
- It creates condition for **growth** of the economy.



□ Entrepreneurship

Characteristics

□ Hard Work:-

- Entrepreneurship **requires the devotion** of the necessary **time and effort**.
- Hard work and **high degree of commitment** are essential for success of entrepreneurship.
- Entrepreneurs need to do hard work as well as smart work.
- Entrepreneurs need to do **full commitment** to initiate any venture successfully.
- They need to **sink themselves** in the venture.



□ Entrepreneurship

Characteristics

□ Reaping of Rewards

- Entrepreneurship involves the rewards can be an entrepreneur.
- It results in reaping of rewards.
- The rewards can be monetary and non-monetary rewards.

Monetary Rewards:- These rewards can be monetary benefits in terms of **profit that could be achieved through** entrepreneurship activities.

Non-monetary Rewards:- These are the rewards in terms of **personal satisfaction, self development, name and fame, reputation, and independence in work.** These rewards fulfill the personal needs of the entrepreneurs to be one's boss.

**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**

□ Importance/Role Of Entrepreneurship In Economic Development

Capital Formation:-

- Entrepreneurship promotes capital formation by **mobilizing the idle saving of the people**. The entrepreneurial **decision**, in effect, is an **investment decision** that enhances the productive capacity of the economy and hence results in capital formation.



□ Importance/Role Of Entrepreneurship In Economic Development

Utilization Of Resources:-

- For proper **utilization of resources** available in the nation, entrepreneurship has been playing important role.
- Some countries are **rich in natural resources**, some in **mine resources**, others in **manpower and science and technology**.
- The **appropriate utilization of forest, water, agriculture, minerals and other resources** are helpful for the development of enterprise as well as for the economic development of nation

Resource Management

The **efficient** and **effective** deployment of an organization's resources in the most efficient way possible , *maximizing the utilization* of available resources to achieve organization goals. Such resources may include *tangible* resources such as



□ Importance/Role Of Entrepreneurship In Economic Development

Employment Creation:-

- Entrepreneurship **increases** the business that is the **sources of employment**. Every new business is a source of **employment to people with different abilities, skills and qualifications**. As such entrepreneurship does not become a source of livelihood or those who do have capital to earn interest on nor have the land to earn rent. Various types of employees are required **both in management and technical works of enterprise**.
In industries, both skilled and unskilled manpower is required for product planning and development.



□ Importance/Role Of Entrepreneurship In Economic Development

Revenue Generation

- Enterprise is the most important **source of government revenue**.
- The development of industries and commercial activities contribute more to **maximize** government revenue.
- Government imposes various taxes to business concern like **custom duty; value added tax, royalties, income tax, etc .**
- These revenues are used for the **betterment of administrative work and also** in development works.



□ Importance/Role Of Entrepreneurship In Economic Development

National Integration

- Entrepreneurship development **ensures** the national integration.
- The entrepreneurs operate businesses in the different parts of the country **on the basis of the availability of the resources.**
- This helps to achieve the objective of **balance regional development or removing regional disparity** of the government.



□ Importance/Role Of Entrepreneurship In Economic Development

Better International Relation

- Entrepreneurship thorough business is the most important **medium for the development** of international relation.
- In the way of business transactions, people come in contact with various people of **different nations**.
- Their **views, knowledge, idea, culture, traditions**, etc., may vary.
- It is helpful to **exchange culture, tradition, knowledge and technology** among the people of friendly nations.



□ Importance/Role Of Entrepreneurship In Economic Development

Earning Of Foreign Currency

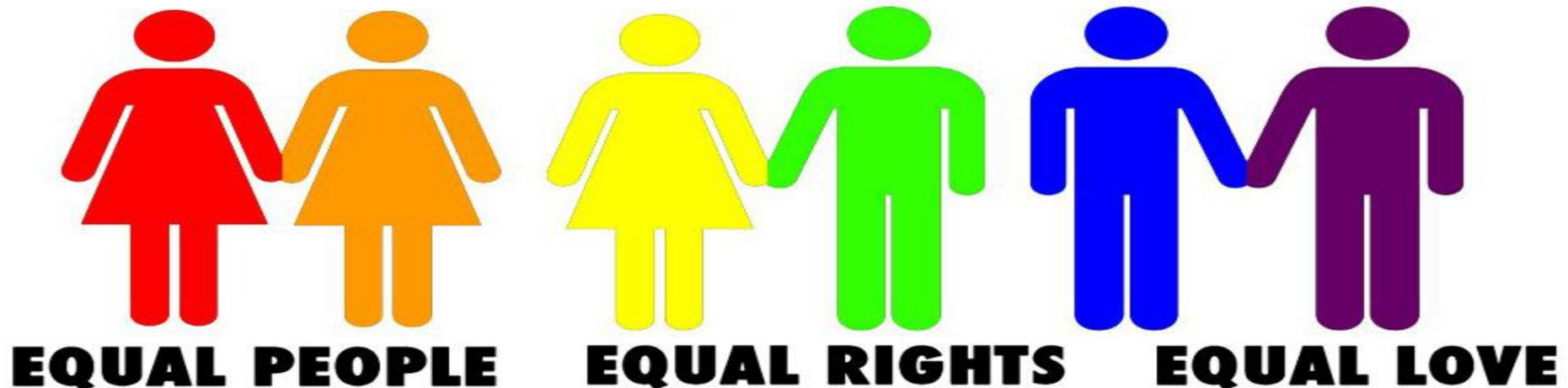
- Entrepreneurship is the main source of **earning foreign currency**.
- The development of entrepreneurship is helpful for the **production of surplus goods and services**.
- Foreign currency can be earned by **exporting surplus** products and services to friendly nations.
- The development of export trade brings **favorable balance in payment and surplus foreign currency** can be used to import foreign products for development works.



Importance/Role Of Entrepreneurship In Economic Development

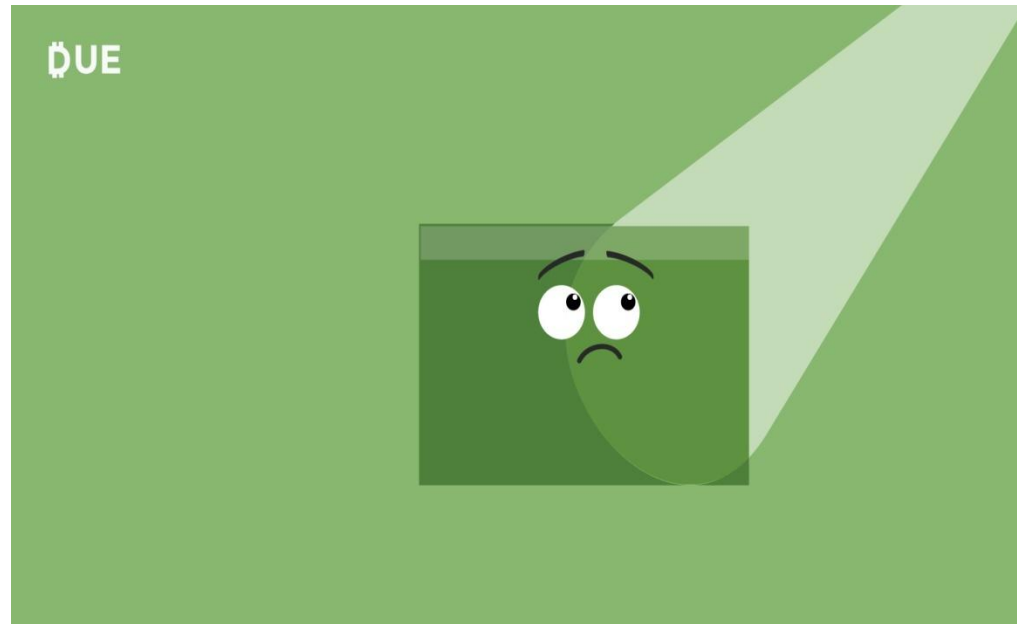
Equitable Distribution Of Wealth

- Entrepreneurs helps in reducing the **concentration of economic power**.
- They stimulate equitable distribution of **wealth, income and political power** through entrepreneurship development in the country.
- The entrepreneurs **ensures local ownership and control** through entrepreneurship development.
- They help to increase **self-empowerment** and **new business opportunities** in the nation.



❑ Negative Aspects of Entrepreneurship

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



❑ Negative Aspects of Entrepreneurship

Risk Of Failure

- The entrepreneur bears personal liability for losses.
- The failure rate of new venture is very high.
- There is no guarantee of success.
- The main reasons are:-
 - Lack of **knowledge and experience** of technical and business know-how.
 - **Lack of capital.** Poor creditworthiness with financial institutions.
 - **Poor marketing.** Lack of customer-orientation . Poor knowledge of marketing tools, concepts and competition
 - **Out-dated technology**
 - **Raw material shortages**



❑ Negative Aspects of Entrepreneurship

Lack Of Professional Management

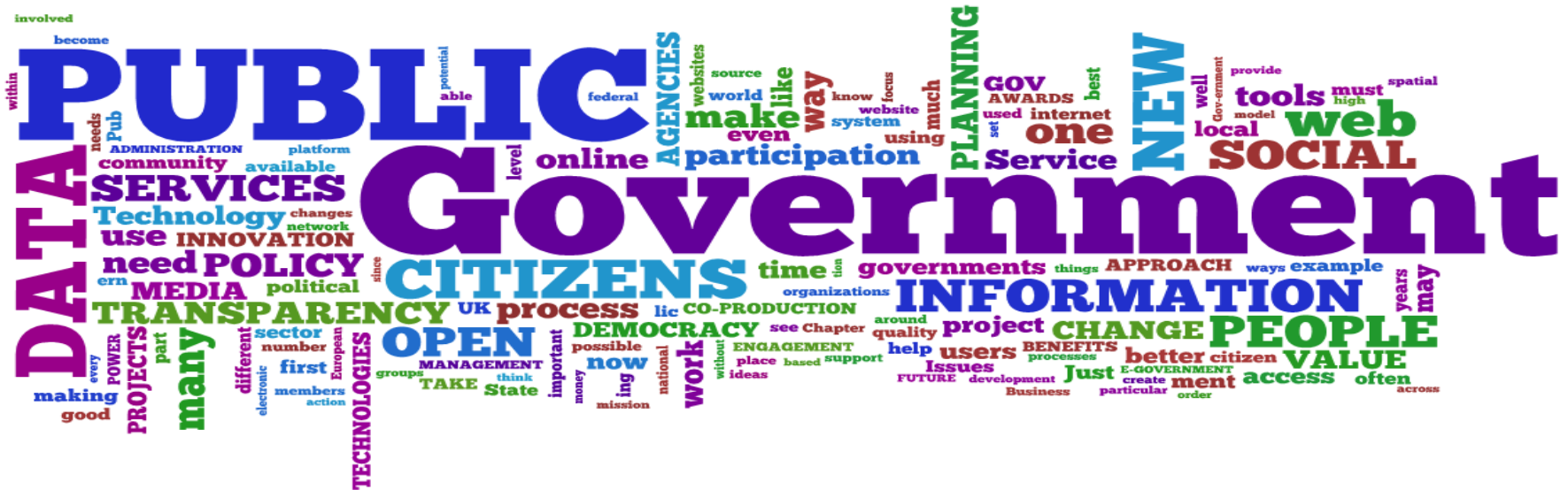
- New ventures lack professional management.
- This is reflected by:-
 - Lack of **vision, mission, objectives and strategies**
 - **Traditional** management practices
 - Centralized **decision making**
 - Lack of **delegation**
 - Poor **quality of employees**. Staffing based on **kith and kin relationships**.
 - Ineffective leadership
 - Lack of use of systematic and analytical methods of management



❑ Negative Aspects of Entrepreneurship

Changing Government Policy

- Government policy **change frequently**.
- **They adversely** affect entrepreneurship.
- Policies also **do not get properly** implemented.
- Facilities provides to entrepreneurs **in terms of infrastructure, training, advice and tax incentives** tend to be inadequate.



❑ Negative Aspects of Entrepreneurship

Emotional Stress

- Entrepreneurship requires **hard work, long hours and high levels of energy.**
- This may create **emotional stress** for entrepreneurs.

A Day In The Life As An Entrepreneur



❑ Negative Aspects of Entrepreneurship

Low Mobility

- **Low mobility** becomes a **negative aspect** for entrepreneurship.
- Mobility refers to **movement of entrepreneurs between industries, occupations and locations.**
- **Women** entrepreneurs generally suffer from **low mobility.**
- **Family pressure** restrict their mobility.

12.Limited 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

❑ The Entrepreneurial Decision Process

❑ Step 1 Conduct Opportunity Analysis

- The entrepreneurship decision process begins with **conducting opportunity analysis**.
- Entrepreneurs **generates** many new **business idea** through such **opportunity analysis**.

Success of Opportunity analysis



❑ The Entrepreneurial Decision Process

❑ Step 2 Develop Business Plan

- In this stage, entrepreneurs develop business plan.
- A business plan is the **formal written expression** of the entrepreneurial vision.
- It **describes the goals, strategy and operations** of the proposed business venture.
- It also **describes the process and technology** business venture.
- Similarly, it **identifies the target market and determines product, price, distribution and promotion** aspects.
- It also states the **finance and management aspect** of the proposed business venture.

❑ The Entrepreneurial Decision Process

❑ Step 3 Set-up Venture (Start-up)

- In this stage, entrepreneurs **decide to establish new venture.**
- They determine the **legal aspect** of the venture such as **proprietorship/sole trading, partnership, company, cooperative, etc.**
- Similarly, **they select the site and scope for the venture** can be service, manufacturing, communication, construction, infrastructural activities or others.

□ The Entrepreneurial Decision Process

□ Step 4 Acquire Financial Resources

- In this stage, **entrepreneurs examine the various available for financing** the new venture.
- Entrepreneurs **themselves** can invest in the early stage.
- Similarly they can manage **financial resources from family, friends, relatives as well as government** for new business venture.
- **In the growth stage**, they can use **debt from financial institutions or issue common shares to public to acquire** financial resources.

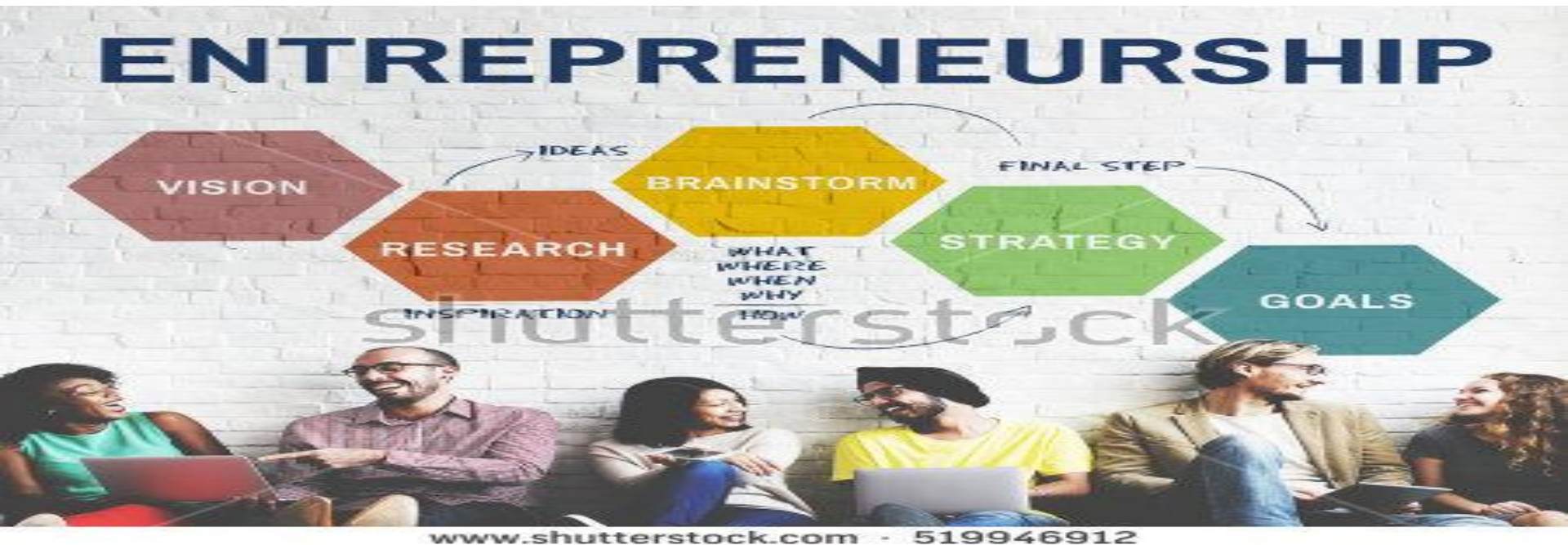
□ The Entrepreneurial Decision Process

□ Step 5 Implement Plan

- At the end, the entrepreneurs organize the venture.
- For this, they **acquire and develop** required **human resources**.
- Similarly, they build **a management team**.
- they protect the value of intellectual property consisting of patents, trademark and copyright.
- **They** also develop **e-business strategy**.
- **This** involves implementing a management **style and structure**, as well as determining the key variables for success.
- **A control system** must be identified so that any problem areas can be carefully monitored.
- In this way they **implement the business plan and start new business venture**.

□ Types Entrepreneurship

- Small Business Entrepreneurship
- Scalable Startup Entrepreneurship
- Large Company Entrepreneurship
- Social Entrepreneurship



□ Types Entrepreneurship

Small Business Entrepreneurship

- Small Business Entrepreneurship **related with small trade and small shop.**
- They are **anyone who runs his/her own business.**
- 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.**

□ Types Entrepreneurship

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.
- **Like Hotel industry, tourism industry, educational institution, bank and financial industry etc.**

□ Entrepreneur

- **Meaning and Concept**
- **Definition of Entrepreneur**
- **Types of Entrepreneur**
- **Traits of Entrepreneur**
- **Function of Entrepreneur**
- **Difference between Entrepreneur and Entrepreneurship**
- **Difference between Entrepreneur and Manager**

☐ Entrepreneur



□ Entrepreneur

Meaning and Concept

- An entrepreneur **is one who creates her/his own business.**
- **S/he plan, organizes, operates and assumes and shares the risk of business.**
- The entrepreneur is a person, **who perceives an idea** and then **brings together** human resources, material and **arranges** necessary capital, needed for business.
- S/he is a person, who **possesses setting up** of new ventures.
- S/he is very **responsible person.**
- Nowadays increasing **number of educated youths** is getting attracted towards entrepreneurship and **they are starting new ventures.**
- S/he **become** a entrepreneur.



□ 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 Druker, “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	▪ Solo-Entrepreneurs	▪ Women
▪ Imitating	▪ Active and Sleeping	▪ Minority
▪ Fabian	▪ Inventors	▪ Immigrant
▪ Drone	▪ Challengers	▪ Part-time ▪ Home-based ▪ Family business
▪ Empire Builder	▪ Life timers	▪ Corpreneur ▪ Intrapreneurs

□ Types of Entrepreneur

Innovative Entrepreneur

- **Innovating**:- They are **innovators entrepreneurs** reorganize their enterprises by introducing new products or new methods of production or discovers new markets.
- **Imitating**:- They are **the imitative and adaptive** entrepreneurs. The entrepreneurs do not innovate themselves, but imitate techniques and technology innovated by others.
- **Fabian**:- These entrepreneurs display great caution and doubt in experimenting with any change in their enterprise. **They do not imitate others immediately.**
- **Drone**:- They are **static, traditional and lazy**. Such entrepreneurs may even suffer from losses but they are not ready to make changes in their existing production methods.
- **Forced**:- They are forced to become entrepreneurs to fashion **their own economic livelihood**.
- **Empire builder**:- Those entrepreneurs go on creating **new ventures one after another**.

□ Types of Entrepreneur

Behavioral Entrepreneur

- **Solo**:-They especially **work alone** and if needed at all, employ a few employees.
- **Active and sleeping**:-Entrepreneurs who **contribute funds to the enterprise** and **actively participate in the operations** are active entrepreneur and who **do not actively participate in business activity** are called simply sleeping entrepreneur.
- **Inventor**:- Inventors are **drawn to new ideas** and finding ways to get ahead of the competition.
- **Challenger**:- They are **challenge seekers**. When one challenge seems to be met, they begin to look for new challenges.
- **Buyer**:- They like to buy the **ongoing one**. They **do not like to bear much risk**.
- **Life timer**:- They take business as an **inseparable part to their life**. Their intension is to **earn** an income for **themselves and their family**.

□ Types of Entrepreneur

Focus Group Entrepreneurs

- Women:-The women involved in independent business are known as women entrepreneur.
- Minority:- They are **minority race** in business. **Asian, Hispanics and blacks** are regarded as minority in **USA**. Similarly, **Tibetan, Bhutanese, refugees** regarded as minority in **Nepal**.
- Immigrant:- Those who **go from one country to another** country and run business.
- Part-time:-The persons who do not **sacrifice fixed salary but run their independent** business are known as part-time entrepreneurs. They are also known as ***“moonlighting entrepreneurs”***.
- Home-based:- Such entrepreneurs run business from their home. The **technologies such as computer, fax machine, telephone, photography, photocopy** have converted many homes into electric cottage.

□ Types of Entrepreneur

Focus Group Entrepreneurs

- **Family business**:-Such entrepreneurs are the **family members who operate and control business**. They are widespread all over country. Like Chaudhary group, Golcha group, Khetan Group in Nepal.
- **Corpenuer**:- They are the **couples** who work together as **co-owner in their on business**. They are entrepreneurial couple. **Naturally husband and wife** have ownership and both work together.
- **Intrapreneurs**:-They are the entrepreneurs from within the **established corporations**. They are **managers** who make innovation by remaining within any are known an **intrapreneurs or corporate entrepreneurs**. Most of the **last and farsighted companies provide opportunities** to their managers for **innovation and encourage** them to undertake entrepreneurship activities.

□ 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

□ Traits of Entrepreneur

Desire for High Achievement:-

- Entrepreneurs have a **strong desire** to achieve goals in the business.

Desire for Responsibility:-

- The entrepreneurs **feel personal responsibility** about the result of the ventures in which they are **associated**.
- They are committed to successful business and also committed to provide goods and services for the customers as and when they demand.

Foresight

- The entrepreneurs have a **good foresight to know about future business** environment.
- They **well visualize** the likely **changes to take place in market, consumer attitude, technological development**, etc.

□ Traits of Entrepreneur

Flexibility

- Entrepreneurs are **flexible in terms of meeting the changing demand** of their customers, market and environments.
- They emphasize external environmental factors.
- They are flexible in their operations and activities.

Good Manager and Leader

- Entrepreneurs are good managers and leaders because they **make decisions to solve problems, bring together all the resources needed** to produce goods and services, and prepare business plan.

□ Traits of Entrepreneur

Hard Working

- **Strong Willingness to work hard** distinguishes a successful entrepreneur from unsuccessful one.
- They are flexible in their operations and activities.
- They desire immediate feedback about performance.
- They are responsive to suggestions as well as criticism.
- They plan for contingencies.

Innovative

- **Changing taste of customers from time to time**, the entrepreneurs initiate **research and innovative activities** to produce **goods/services to satisfy** the customers changing demands for the products.
- For this they establish research and development facilities to innovation.
- They are **creative thinkers**.
- They are **agents of change**.

□ Traits of Entrepreneur

Independent

- They are **independent minded**.
- They set their **own routine**.
- They are **job giver and not a job seeker**.

Optimistic

- They are **optimistic** for future that the situations will become favorable to business in future.
- They **effectively deal** with **problems, mistakes and failures**.

Risk Bearer

- Entrepreneurs are **high risk bearer**.
- They have preference for moderate to high risk.
- They **take calculated risk** to achieve goals.
- Their risk **taking ability** is guided by information **analysis and experience**.

□ 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	

□ Or Function of Entrepreneur

Engineered for Tomorrow

Functions of an Entrepreneur

Primary Function	Other Functions	Functions important for developing countries
Planning	Diversification of production	Management of scarce resources
Organizing	Expansion of the enterprise	Dealing with public
Decision making	Maintaining cordial employer & employee relations	Engineering
Management	Talking labor problems	New product development
Innovation	Coordination with outside agencies	Parallel opportunities
Risk bearing		Marketing
Leading		Management
Controlling		Customer relation

□ Entrepreneur

▪ Difference between Entrepreneur and Entrepreneurship



□ Entrepreneur

□ 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

▪ Difference between Entrepreneur and Manager

Entrepreneur

▪ **Owner** –An entrepreneur **is the owner** of his own business.

▪ **Profits**-An entrepreneur **earns profits** from his business which is uncertain and unlimited.

▪ **Full risk bearing**- An entrepreneurship is a person who has to take **high risks for starting and running venture**.

▪ **All functions**- An entrepreneur has to look after **all the functions** of his organization.

▪ **Innovator**:-An entrepreneur is always an innovator, in the lookout for new products and services.

Manager

▪ **Servant** – A manager **is a servant** of his employee

▪ **Salary**- A manager **earns salary** which is generally certain and limited.

▪ **Less or No Risk Bearing** – A manager takes **less or no risk while performing his job**.

▪ **Selecting Functions** - A manager books after **selective functions** of an organization.

▪ **Executor**- A manger is simply **an executor** who is responsible for **executing the decisions of the owner and entrepreneur**.

□ Intrapreneurship

- Meaning and Concept
 - Definition of Intrapreneurship
 - Characteristics of Intrapreneurship
 - Difference between Entrepreneurship and Intrapreneurship
-



□ 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.**
- **Intrapreneurship describes the innovation that occurs inside established companies through efforts of creative employees to initiate new product and service.**
- **The manager who perform such task is known as Intrapreneur.**
- **They are the entrepreneurs from within the established corporations.**

□ Intrapreneurship

Meaning and Concept

- **They are managers** who make innovation by remaining within any are known as **intrapreneurs or corporate entrepreneurs**.
- Most of the **last and farsighted companies** provide **opportunities** to their managers for **innovation and encourage** them to undertake entrepreneurship activities.
- Intrapreneurs are usually **highly self-motivated, proactive and action-oriented people** who are comfortable with taking the initiative, even within the boundaries of **an organization, in pursuit of an innovative product or service**.
- It is the **practice** of entrepreneurship by **employees within an organization**.
- **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 Intrapreneurship and Entrepreneurship (It is also known as difference between Entrepreneur and Manager)



□ Difference between Intrapreneurship and Entrepreneurship

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 refers to the ‘study of whatever is right and good for humans’.**
- So, Ethics is the branch of philosophy concerned with the meaning of all aspects of human behavior.**
- Business ethics concerns itself with the investigation of business practice in light of human value.**
- Ethics and social responsibilities of an entrepreneur is certainly an important issue considering the role of social responsibility in society and ethics in business.**

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 and welfare program for employee
▪ Integrity	▪ Customer value and satisfaction
▪ Responsibility	▪ Meet legal standard
▪ Result oriented	▪ Protection from sexual harassment
▪ Commitment	▪ Social welfare program
▪ Reliability	▪ Sustainable solution



☐ Problem Solving/ Critical Analysis Questions

Q. Entrepreneurs and Entrepreneurship are the catalyst in the process of development of a country. Do you agree with this statement? Explain with the example in the context of Nepal.