

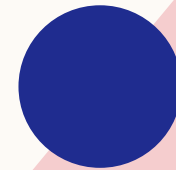
ENTREPRENEURSHIP AND MANAGEMENT

Chapter 1- Entrepreneurs and Entrepreneurship

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Introduction

- Entrepreneurship is the art of starting a business, basically a startup company offering creative product, process or service. We can say that it is an activity full of creativity.
- It involves creation of value, the process of starting or growing a new profit making business, the process of providing new products or service, and the intentional creation of value through organization by an individual contributor or a small group of partners.

What is entrepreneurship

- Entrepreneurship is the ability and readiness to develop, organize and run business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.
- The process whereby an individual or group of individuals use organized efforts to pursue opportunities
- The most important factor in entrepreneurship is the ability to recognize the opportunity.

Types of entrepreneurship

➤ **Small Business Entrepreneurship**

- These businesses are a hairdresser, grocery store, travel agent, consultant, carpenter, plumber, electrician, etc. These people run or own their own business and hire family members or local employee. For them, the profit would be able to feed their family and not making 100 million business or taking over an industry. They fund their business by taking small business loans or loans from friends and family.

➤ **Scalable Startup Entrepreneurship**

- This start-up entrepreneur starts a business knowing that their vision can change the world. They attract investors who think and encourage people who think out of the box. The research focuses on a scalable business and experimental models, so, they hire the best and the brightest employees. They require more venture capital to fuel and back their project or business.

➤ **Large Company Entrepreneurship-**

- These huge companies have defined life-cycle. Most of these companies grow and sustain by offering new and innovative products that revolve around their main products. The change in technology, customer preferences, new competition, etc., build pressure for large companies to create an innovative product and sell it to the new set of customers in the new market. To cope with the rapid technological changes, the existing organizations either buy innovation enterprises or attempt to construct the product internally.

➤ **Social Entrepreneurship-**

- This type of entrepreneurship focuses on producing product and services that resolve social needs and problems. Their only motto and goal is to work for society and not make any profits.

Common themes of entrepreneurship



- **Process:** The process of starting or growing a new profit-making business, the process of providing a new product or service. process is a set of ongoing decisions and actions. It involves a series of decisions and actions from initial start-up to managing the entrepreneurial venture.
- **Organization creation:** Building a new and own organization for the first time. In order to pursue the perceived opportunities for innovation and to create value, there must be organized efforts and actions. take action to get the entrepreneurial venture up and a team of individuals, ability to obtain resources to pursue entrepreneurial opportunity will be limited.
- **Create value:** Value addition, intentional creation of value through organization by an individual contributor or small group of partners. New product, services, transactions, approach, resources, technologies, and markets are created that contribute some value to a community or marketplace. During transformation, value is created because entrepreneur is fashioning something worthwhile and Useful.

- **Growth:** Started the organization and consistently growing. One major different between entrepreneurial venture and other small business is the emphasis on growth. Entrepreneurship is about growing a business and pursuing opportunities as they arise. It's not about standing still or being content to stay in one market or with one product. Entrepreneurship implies growth.
- **Innovation:** Creative idea with supervision. Entrepreneurship involves changing, revolutionizing, transforming and introducing new approach.
- **Uniqueness:** Different from others.

Misconceptions about entrepreneurship

1. Successful entrepreneurship needs only a great idea
2. Entrepreneurship is easy
3. Entrepreneurship is a risky gamble
4. Entrepreneurship is found only in small businesses
5. Entrepreneurial ventures and small businesses are the same thing

Difference between small business and entrepreneurial ventures¹¹

Small business entrepreneurship	Entrepreneurial ventures
1. Usually deal with known and established products	1. Focuses on new innovative offerings
2. Owners tend to deal with known risks	2. Unknown risks
3. Do not experience growth	3. Experience rapid growth and development
4. Have a low market share	4. Have a high share in the market
5. Are not innovative	5. Exhibit high degree of innovation
6. These are satisfied with their situation and do not wish to change	6. Have an energetic attitude and are always looking to change and develop

Importance of entrepreneurship

Three areas of importance:

1. **Innovation**- Process of creating, changing, experimenting, transforming.
2. **Number of New Start-ups** - Important because new firms contribute to economic development through benefits such as product-process innovation.
3. **Job Creation** - Vital to the overall long-term economic health of communities, regions, and nations.

The impact of entrepreneurship globally

Level of entrepreneurial activity around the globe

Top level	Middle level	Lowest level
Australia	Germany	France
Canada	India	Japan
Korea	Italy	
US	Singapore	
China	Spain etc..	

- An annual assessment of global entrepreneurship called the Global Entrepreneurship Monitor (GEM) studied the impact of entrepreneurial activity on economic growth in various countries. The GEM 2000 report covered 21 countries that were divided into three levels of entrepreneurship. The higher levels of entrepreneurial activity were found in five countries (Australia, Canada, Korea, Norway, and the US). Average levels of entrepreneurial Activity were found in 14 countries and lowest levels of entrepreneurial activity were found in 2 countries-France and Japan.
- The GEM report provides conclusive evidence that promoting entrepreneurship and enhancing the entrepreneurial dynamics of a country should be an integral element of any government's commitment to boosting economic well-being.

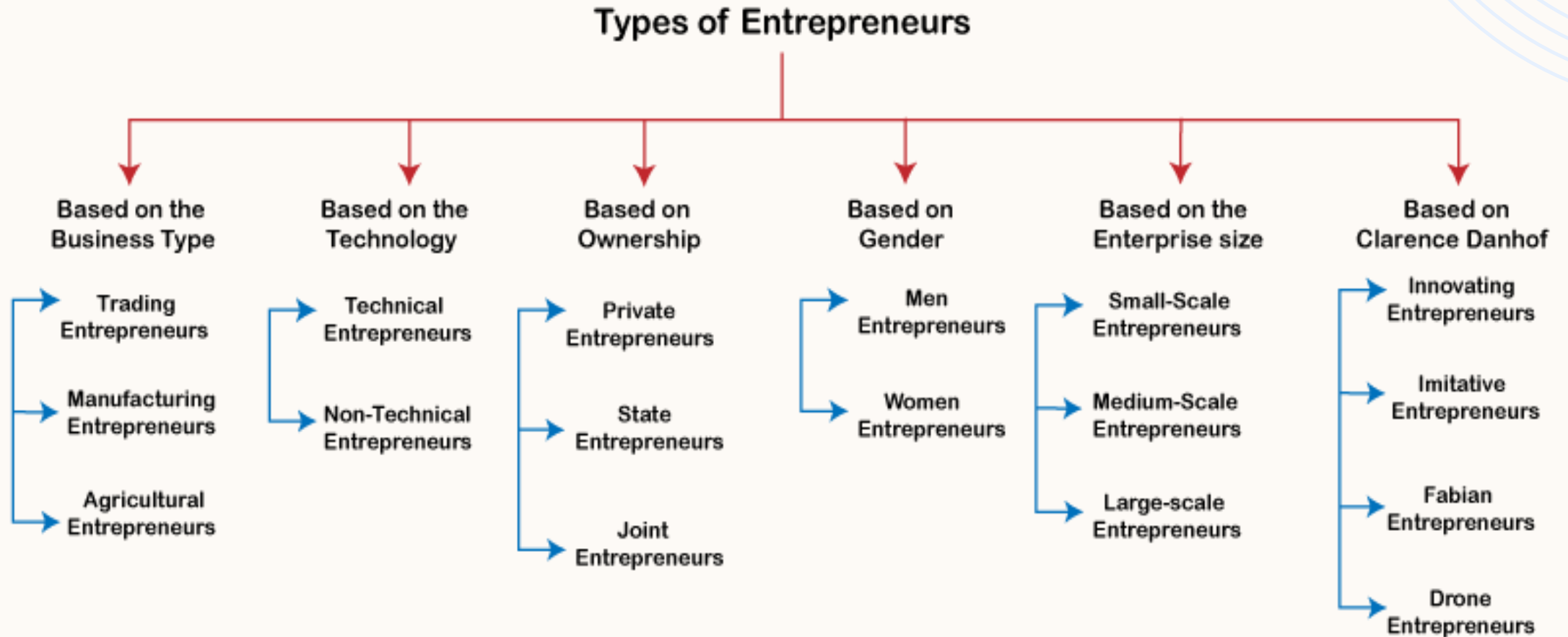
Entrepreneurs

- A person who sets up a business or businesses, taking on financial risks in the hope of profit.
- One who organizes, manages, and assumes the risks of a business enterprise.
- A person who undertakes the risk of starting a new business venture is called an entrepreneur.
- An entrepreneur is an individual who identifies a need in the marketplace and works to fulfill it.

What entrepreneurs do

- Initially, an entrepreneur is engaged in assessing the potential for the entrepreneurial venture
- Then dealing with start-up issues
- Once the entrepreneurial venture is up and running, the entrepreneur's attention switches to managing the venture
- Most commonly, they begin their own businesses.
- They start with an idea, develop it, design it, produce it, market it, and then, they sell it – Financial profit.
- Entrepreneurs own and operate everything from small shoe stores to tech startups.

Types of entrepreneurs



Based on the business type

Trading Entrepreneur

- A trading entrepreneur refers to a person who undertakes business-related activities. These types of entrepreneurs usually buy finished products in bulk from manufacturers at some discount. They then sell these products directly or with the help of retailers or vendors with profits. This may include wholesalers, retailers, dealers, etc.

Manufacturing Entrepreneur

- The founder of a business to manufacture products is known as a manufacturing entrepreneur. Manufacturing entrepreneurs analyze market needs or customer needs and manufacture products to meet such needs using various resources or technologies.

Agricultural Entrepreneur

- Agricultural entrepreneurs refer to the types of entrepreneurs who primarily do agricultural work. They participate in a wide range of agricultural activities such as farming, irrigation, agricultural produce etc.

Based on the technology

Technical Entrepreneur

- Such entrepreneurs are called technology entrepreneurs who use to start and continue industries primarily based on science and technology. These entrepreneurs develop new ideas and turn those ideas into technology-based innovations and inventions.

Non-Technical Entrepreneur

- As the name suggests, entrepreneurs who do not set up and run enterprises based on science and technology are known as non-technical entrepreneurs. In short, non-tech entrepreneurs are those who work for innovations using traditional methods

Based on ownership

Private Entrepreneur

- When an entrepreneur starts something personal of his or her own, such as setting up an enterprise, he/she is called a private entrepreneur. A private entrepreneur is the only person who plays the sole proprietor role for a business venture and bears the risk associated with it.

State Entrepreneur

- When a state or government does a business or industrial undertaking, it is referred to as a 'state entrepreneur'. In this case, the government is the sole owner of the enterprise and will bear all the profits and losses involved with it.

Joint Entrepreneurs

- When a business or industrial undertaking is established and operated jointly by the private entrepreneur and the government, it is called joint entrepreneurship. The parties involved are called joint entrepreneurs. In this case, risk and profits are shared by both parties.

Based on the enterprise size

Small-Scale Entrepreneur

- If an entrepreneur has invested up to a maximum of 1 crore in starting an enterprise, including plant and machinery, such an entrepreneur is called Small Scale Entrepreneur.

Medium-Scale Entrepreneur

- If an entrepreneur has invested a minimum of 1 crore to a maximum of 5 crores in starting an enterprise, including plant and machinery, then such an entrepreneur is called Medium Scale Entrepreneur.

Large-Scale Entrepreneur

- If an entrepreneur has invested more than 5 crores in starting an enterprise, including plant and machinery, such an entrepreneur is called a large-scale entrepreneur. This includes any investment above 5 crores.

Importance of entrepreneur

- ❖ The entrepreneur's primary role is to develop new creative ideas and bring innovations to the market by replacing the old ones.
- **Creation of Employment:** Entrepreneurs create employment for different categories. By forming enterprises, they generally provide entry-level jobs for newcomers. This eventually helps freshers to gain experience and work for further growth in a specific sector.
- **Innovation:** Because of huge competition, entrepreneurs always try to introduce new products, technology, goods, and more in the market to further enhance the standard of living for people.
- **Making better society and community development:** With the employment options, entrepreneurs bring changes in the society and generate new ways for betterment. They help promote better education, better sanitation, fewer slums, and high-level homeownership with their innovations and support. Entrepreneurs help the organization towards a more stable and higher quality of community life.

- **Increases standard of living:** Entrepreneurs help people improve their living standards by giving them employment and assuring their income. Standard of living generally refers to the consumption of various goods and services by a household for various needs.
- **Supports research and development:** Before the products are launched in the market, they are tested for safety and research. Therefore, an entrepreneur also provides job options in research and development. This eventually promotes research in colleges and universities.

Becoming an entrepreneur

- Develop a unique idea for a business
- Get an understanding of the various enterprise sectors, such as management, finance, accounting, marketing, etc.
- Create a proper business plan and arrange for funding
- Hire specific employees with corresponding business requirements
- Implement competitive strategies and launch products or service
- Find and connect related market and customers to distribute the products or services
- Expand the business by combining new ideas and products

THANK YOU

