

Introduction to Entrepreneurship

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An Entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals. An entrepreneur identifies opportunities and seizes opportunities for economic benefits.

Entrepreneurship is a dynamic activity which helps the entrepreneur to bring changes in the process of production, innovation in production, new usage of materials, creator of market etc

It has been derived from the French word 'entre prendre' which means to undertake.

It is a process through which individuals identify opportunities, allocate resources, and create value. This creation of value is often through the identification of unmet needs or through the identification of opportunities for change.

The most obvious example of entrepreneurship is the starting of new business venture.

“Entrepreneur is someone who has a vision for something and a want to create.”—David Karp, Tumblr Founder and CEO.

Definition of Entrepreneurship

Ducker's Views on Entrepreneur : An entrepreneur is the one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or different service.

Richard Cantillon: “A person who pays certain price for a product to resell it at an uncertain price thereby making decision about obtaining and using resources while assuming the risk of enterprise”

Definition of Entrepreneurship

Adam Smith:

In economic terms, Entrepreneurship combined with land, labour, natural resources and capital can produce profit. Entrepreneurial spirit is characterised by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

The dictionary of social science has defined entrepreneur from functional viewpoint. According to it “entrepreneur is a person:

1. Who exercise the function
2. Initiating coordinating controlling or institute major change in a business enterprise.
3. Bearing those risk of operation which arise from the dynamic nature of society and imperfect knowledge of the future which can cast through transfer calculation or elimination

Characteristics of Entrepreneurship

Economic and Dynamic Activity: Entrepreneurship is an economic activity of creating value or wealth by ensuring optimum utilisation of scarce resources. Since this value creation activity is performed continuously in the midst of uncertain business environment, therefore, entrepreneurship is regarded as a dynamic force.

Related to Innovation: Entrepreneurship involves a continuous search for new ideas. Entrepreneurship compels an individual to continuously evaluate the existing modes of business operations. In other words, entrepreneurship is a continuous effort for synergy.

Profit Potential: “Profit potential is the likely level of return or compensation to the entrepreneur for taking on the risk of developing an idea into an actual business venture”.

Characteristics of Entrepreneurship

Creativity

Entrepreneurs devise innovative ways to overcome difficult problems and situations.

Vision

Entrepreneurs begin with an overall idea for how to make their business idea a success.

High Energy Level

A willingness to work hard.

Tolerance for Failure

Entrepreneurs are not easily discouraged

Risk Bearing

The essence of entrepreneurship is the 'willingness to assume risk' arising out of the creation and implementation of new ideas.

Self-confidence

Fearlessness in the face of difficult odds.

Internal Locus of Control

Entrepreneurs believe they can control their own fate

Tolerance for Ambiguity

Entrepreneurs take in stride uncertainties.

Persistence, optimism, and resourcefulness are also helpful. Scrupulousness is a useful.