

# Introduction to Entrepreneurship

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# Core Elements of Entrepreneurship

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*Motivation and Commitment*

*Abilities and Skill*

*Resources*

*Strategy and vision*

*Planning and organising*

*Idea*

# Determinants of Entrepreneurship

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**Entrepreneurial Capabilities:** These factors relate to the life of an individual, traits of his personality, culture and family. Age, quality of education, ethnicity, experiences, initiative and willingness to change define the overall personalities of a individual.

**Regulatory Framework:** Government policies affect the growth of new ventures in every economy.

**Market Condition:** Availability of a ready market and high probability of acceptance towards new products push the spirits of entrepreneurs.

**Access to Finance:** entrepreneurs need to carefully estimate funds required, different source of funds.

**Technological Development:** Technology changes at the blink of an eye. With access to global market place, entrepreneurs have to carefully plan their moves and yet deliver on time to reap benefits from opportunities.

# Determinants of Entrepreneurship

**Interest and Vision:** Entrepreneurship pays off according to performance rather than time spent on a particular effort, an entrepreneur must work in an area that interests them. Otherwise, they will not be able to maintain a high level of work ethic, and they will most likely fail.

**Skill:** All of the interest and vision cannot make up for a total lack of applicable skill.

**Investment:** An entrepreneur must invest in his company. This investment may be something less tangible, such as the time he spends or the skills or reputation he brings with him, but it also tends to involve a significant investment of assets with a clear value, whether it is cash, real estate or intellectual property.

# Determinants of Entrepreneurship

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**Organization and Delegation:** entrepreneurship requires extensive organization and delegation of tasks. It is important for entrepreneurs to pay close attention to everything that goes on in their companies, but if they want their companies to succeed, they must learn to hire the right people for the right jobs and let them do their jobs with minimal interference from management.

**Risk and Rewards:** Entrepreneurship requires risk. The measurement of this risk equates to the amount of time and money you invest into your business. However, this risk also tends to relate directly to the rewards involved.

# Importance of Entrepreneurship

**Managerial Capabilities:** An entrepreneur studies a problem, identifies its alternatives, compares the alternatives in terms of cost and benefits implications, and finally chooses the best alternative. This exercise helps in sharpening the decision making skills of an entrepreneur. Besides, these managerial capabilities are used by entrepreneurs in creating new technologies and products in place of older technologies and products resulting in higher performance.

**Creation of Organization:** Entrepreneurship results into creation of organizations when entrepreneurs assemble and coordinate physical, human and financial resources and direct them towards achievement of objectives through managerial skills.

# Importance of Entrepreneurship

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**Improving Standards of Living:** entrepreneurship helps in making a wide variety of goods and services available to the society which results into higher standards of living for the people.

**Means of Economic Development:** Entrepreneurship involves creation and use of innovative ideas, maximisation of output from given resources, development of managerial skills, etc., and all these factors are so essential for the economic development of a country.