

## ENTREPRENEURSHIP



**J.Sowmiya**

*III B.Sc., Mathematics, Marudhar Kesari Jain College for Women, Vaniyambadi*

### Entrepreneurship

The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. In economics, entrepreneurship combined with land, labour, natural resources and capital can produce profit. This spirit is characterized 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.

**Example:** The way Bill gates single-handedly revolutionized the way we use home computers is an excellent example of ingenuity and entrepreneurship.

### Types of Entrepreneurs

Some common types of entrepreneurship include

#### Small Business

This includes mom and pop shops and local business owners. Small business can include partnership, sole proprietors, and LLCs. Generally it's any business that has less than employees, according to the small business administration.

#### Home Based Business

A home based business could fit under the category of small business, But the primary factor in this case is that it's run from home, as opposed to an office or other location. In fact, many large corporations were started from a home, including Apple and Disney.

#### Business

Internet-based business can be small, home-based, or even large corporations. This includes companies like Amazon or other e-commerce business, bloggers, Ebay and Esty owners, and any other business that does the majority of its business online.

#### Inventors

For an inventor to be considered an entrepreneur, he needs to go beyond to idea stage to build to product and get it to market.

**Example:** Transition to entrepreneurs is the contestants on Shark tank.

### Social Entrepreneur

Many entrepreneurs get the most joy out of starting and building, but not in its continued management. Other times, serial entrepreneurs juggle several businesses at once, earning multiple streams of income.

### Characteristics of a Successful Entrepreneur

- Passion: Following your passion is one of the best predictors of success.
- Independent Thinking: Often the box and who might question their ideas.

- Optimism: Dreamers and believe their ideas are possible, it seem unattainable.
- Self Confidence: This is to say never have self-doubt, and believe they can achieve their goal.
- Problem Solvers: Lack of assets, knowledge, and resources are common and challenges get in the way, and instead find ways to achieve success despite hardships.
- Vision: It is the fuel that propels you forward toward your goal and it as a necessary element.
- Focus: It's easy in this paced, constant infp-in-your-face world to get distracted. Successful entrepreneurs are focused on what will bring results.

#### Three Aspects of Entrepreneurship

- The identification/recognition of market opportunity and the generation of a business idea (product or service) to address the opportunity.
- The marshaling and commitment of resources in the force of risk to pursue the opportunity.
- The creation of an operating business organization to implement the opportunity-motivated business idea.

### Entrepreneurial Attitude

Tendencies to act in response to stimulate is called attitude. Tendency to take moderate risk.

- Imaginative.
- Initiative.
- An eye for economic activity.
- Belief that he/she can change the environment.
- Enjoyment of freedom of expression.
- Satisfaction from successful completion of task.

### Risk of Being an Entrepreneur

**Potential business failure** - Being fully responsible means the success or failure of your business rests on you.

**Unexpected Obstacles** - Problems can happen that you don't expect.

**Long Hours and Hard Work** - It's not unusual for entrepreneurs to work a lot of extra hours to make their business successful. This is especially true during the initial start-up process.

### Entrepreneurship in History

\* Maggie Lena Walker

\* Dineh Mohajer

### Evolution of Entrepreneurship

Entrepreneur is defined from the French entrepreneur, meaning “to undertake”. Although no single definition of entrepreneur exists and no one profile can represent today's entrepreneur, research is providing an increasingly sharper focus on the subject.

### Entrepreneurship Development

Entrepreneurship is the process of identifying opportunities in the market place, and arranging resources required to exploit the opportunities for long term gains.

- It is creating wealth by bringing together resources in new ways to start and operate an enterprise.

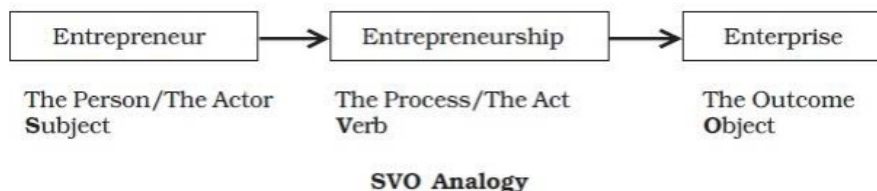
- It is the process of planning, organizing, operating and assuming the risk of a business venture.
- It is the ability to take risk independently to make more earnings in market-oriented economy.

### Importance of Entrepreneurship in Economic Development

Entrepreneurs can change the way we live and work. If successful, their innovations may improve our standard of living, and in addition to creating wealth with their entrepreneurial ventures, they also create jobs and the conditions for a prosperous society. Trailblazing offerings by entrepreneurs, in the form of new goods and services, can reduce a cascading effect by stimulating related business or sectors supporting the new venture, furthering economic development.

**For Example:** A few IT companies founded the Indian IT industry in the 1990s as a backend programmer's hub. Soon the industry gathered once in its own programmer's domain. But more importantly, millions from other sectors benefited from it.

### Distinguish Between the Terms Entrepreneur and Entrepreneurship



Though both the terms entrepreneur and entrepreneurship are almost similar they process several differentiating terms with them. The difference between the entrepreneurs and entrepreneurship are as follows:-

Entrepreneur	Entrepreneurship
<ol style="list-style-type: none"> <li>1. An entrepreneur one who undertakes and operates a new enterprise and assumes some accountability for the inherent risks.</li> <li>2. Entrepreneur is often synonyms with founder.</li> <li>3. The person who starts and operates a business enterprise is an entrepreneur.</li> <li>4. The entrepreneur is a coordinate as he coordinates all the three elements of production.</li> <li>5. The person who innovates something new is an entrepreneur.</li> </ol>	<ol style="list-style-type: none"> <li>1. Entrepreneurship is the practice of starting new organizations, particularly new businesses generally in responses to identified opportunities.</li> <li>2. It ranges in scale from solo projects to major undertaking creating many job opportunities.</li> <li>3. The process in which an entrepreneur starts and operates his business enterprise is entrepreneurship.</li> <li>4. Entrepreneurship is the coordination maintained by an entrepreneur.</li> <li>5. The innovation of something new or the process of innovation is entrepreneurship.</li> </ol>

### Importance of Risk Management

While many are unavoidable, some of these business owners spend their time putting out fires because they didn't prepare for them. Actually, proper risk management will take you even further leading to improved efficiency and margins. One of those variables is preparation. An

entrepreneur will look at his or her business plan and determine potential strengths, weaknesses, opportunities and threats. Planning for each ahead of time won't just reduce expenses but increase top-line potential.

### How Financial Planning Differs for Entrepreneurs

Planning in the early stage of an entrepreneurial venture is more focused on the business and improving cash flow than it is on personal financial planning. But once the business is up and running, if you're an entrepreneur, there are still a number of ways in which your plan differs from a plan for a non-entrepreneur. It can impact the amount you pay in tax for social security and medicine. Healthcare and retirement plans are typically the biggest benefits, but many employers offer group life and disability insurance as well.

### Employees Great Source

- Huge -national companies are process driven and need employees who can follow instructions and processes diligently while everyday could be a fire fighting day for a startup.
- Many startups make the mistake of hiring employees who are merely looking for a job rather than someone who is looking for a life experience.
- Founders need to create a culture where employees are encouraged to push the envelope are encouraged to push the envelope, come out with new and better ways of doing things rather than being robots that merely follow instructions.
- Employees can be a great source for ground breaking technology, inspiration and new ideas, but most founders are busy building products rather than creating a company culture that drives innovation.
- An entrepreneur's primary role should be nurturing talent, and creating an environment for people to achieve their full potential.
- Instead, we're seeing several founders who're focused on the mundane and are leaving company culture to chance.

### Entrepreneurship in India

The core of this eco-system is the incubation facility within the business that enabled the next generation. Prototypes were developed and test marketed through access to vendors and distributors and the sales force. Business mentoring from the experienced elders substituted for any classroom learning.

The two professions ran their own divergent paths with their own benchmarks for success. So from the surnames, chances were, you could determine that Birla was, and Bhattacharya was not, in business. These efforts need to be scaled up now to achieve greater success in shorter timescale.



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