

ENTREPRENEUR AND ENTREPRENEURSHIP

Entrepreneur: Entrepreneur is an economic agent who plays a vital role in the economic development of a country. Economic development of a country refers steady growth in the income levels. This growth mainly depends on its entrepreneurs. An entrepreneur is an individual with knowledge, skills, initiative, drive and spirit of innovation who aims at achieving goals.

The concept of Entrepreneur:-

The word "Entrepreneur" is derived from the French verb *entreprendre*. It means to undertake. In the early 16th century the Frenchmen who organised and led military expeditions were referred as "Entrepreneurs". In the early 18th century French economist Richard Cantillon used the term

entrepreneurs to business. Since that time the word entrepreneur means one who takes the risk of starting a new organisation or introducing a new idea, product or service to society.

Characteristics of an Entrepreneur

An entrepreneur is a highly achievement oriented, enthusiastic and energetic individual, who has following characteristics -

- Entrepreneurs are action oriented, highly motivated individuals who takes risks to achieve goals.
- Entrepreneurs will have unwavering determination and commitment. They are creative and result-oriented. They work hard in return for personal and financial rewards.
- Entrepreneurs accept responsibilities with enthusiasm and endurance.

- Entrepreneurs have self-confidence, they are dedicated, setting self-determined goals and markets for their ideas responding to existing market.
- Entrepreneurs are both thinkers and doers, planners and workers.
- Entrepreneurs can foresee the future, as a salesman's persuasiveness, a financial talent for manipulating funds, as an auditor's precision etc.
- Entrepreneurs depends on the intelligence, imagination and strength of purpose of the individual.

Qualities of an Entrepreneur

Essential qualities of entrepreneurs are as follows:-

1. Success and achievement: The entrepreneurs are self-determined to achieve high goals in business, this achievement motive strengthened them to surmount the obstacles, suppress

anxieties, repair misfortunes and desire expedients, to run a successful business.

2. Risk Bearer: Entrepreneurs accept risk they select a moderate risk situation, rather than gambling or avoiding risk, they understand and manage risk.

3. Opportunity Explorer: Always entrepreneurs identify new opportunities. He seize opportunity and convert them into realistic achievable goals.

4. Perseverance: Entrepreneurs make extreme efforts and work hard till the goal is successfully accomplished.

5. Facing Uncertainty: Achievement oriented people tend to tackle an unfamiliar but interesting situation. They go ahead with solutions for the problems even without the guidelines.

6. Feedback: Entrepreneurs like to have prompt immediate feedback of their performance.

7. Independence: Entrepreneurs like to be their own master and want to be responsible for their own decision. An entrepreneur is a job giver and not a job seeker.

8. Flexibility: Entrepreneur makes decisions based on the prevailing situations. Entrepreneur is a person with open minds not rigid.

9. Planner: Entrepreneur frames realistic business plans and follows them rigorously to achieve the objectives in a stipulated time limit.

10. Self confidence: Entrepreneur directs his abilities towards the accomplishment of goals with the help of his strengths and weaknesses.

11. Motivator: Entrepreneur influence and initiate people and make them think in his way and act accordingly.

12. Stress Taker: He keeps cool under a lot of tension while decision making.

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Difference b/w an entrepreneur and a manager

Entrepreneur	Manager
(i) An entrepreneur starts a venture by setting up a new enterprise for his personal gratification.	But the main aim of a manager is to render his service in an enterprise already set up by someone.
(ii) Entrepreneur is the owner of enterprise	A manager is the servant in the enterprise
(iii) An entrepreneur bears all risks and uncertainty involved in the enterprise	A manager being a servant does not bear any risk involved in the enterprise.
(iv) Entrepreneur for his risk bearing role he receives profits. It is not only uncertain are irregular but can at times be negative	A manager receives salary as reward for service rendered which is fixed and regular can never be negative.
(v) As an innovator he is called as change agent who introduces goods and services to meet changing needs of the customer.	A manager executes the plans of the entrepreneur. Thus a manager translates the ideas into practice.

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Function of an Entrepreneur

1. Primary function

(1) Planning: Planning is the first step in the direction of setting up of an enterprise.

Planning process involves the following steps:-

- a. Scanning of the best suitable idea.
- b. Selection of product line.
- c. Determination of type of business organisation (Individual or partnership, or corporate)
- d. Estimation of the capital needed.
- e. Selection of capital resources.
- f. Selection of location.
- g. Studying the government, rules, regulation and policies.
- h. Selecting the way to fulfil the govt. formalities.
- i. Study of availability of labour force.
- j. Study of market and market strategy to be adopted.

(2) Organisation: An enter-preneur co-ordinates, assembles and supervises land, labour and capital during the promotion stage and at the performance stage, for optimum utilisation.

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of the resources. Efficient expansion and growth of the enterprise largely depends on the efficiency of the organisational network employed and monitored by the entrepreneur.

(iii) Decision making: Another H. Cole has described the entrepreneur as a decision maker. As a decision maker he takes various decisions regarding following matters:-

- Determination of the business objectives of the enterprise.
- Decision regarding procurement of machine, material, men, money and market.
- Decision regarding requisition of efficient technology and new equipments.
- Decision regarding development of a market for the product.
- Maintenance of good relations with public authorities and with society at large.

(iv) Management: The management with reference to entrepreneur stands for not only the working of the venture but also managing of the

day-to-day problems. It includes future expansion and policies in the long run. Direction of men, machine, material, money, organising of land, labour and capital for the enterprise.

(v) Innovation: Implies "doing of new things or doing of things that are already being done in a new way". Innovation may occur in any one of the following five forms.

- Launching of new product in the market
- Introduction of new technology in the production.
- Creation of new market
- Discovery of new and better source of raw-material
- Creation of monopoly or breaking up monopoly.

(vi) Risk bearing: An entrepreneur undertakes the responsibility for loss that may arise due to unforeseen contingencies in future. He guarantees interest to creditors, wages to labour and rent to the landlord and risk can be insured.

(vii) Uncertainty bearing: Risk which can not be insured against and it is incalculable. Entrepreneur bears uncertainty refer to the uncertain trends of market, trade credits etc. which by its nature cannot be insured, nor capitalised nor salaried too.

II. Other functions

- (i) Diversification of production
- (ii) Expansion of the enterprise
- (iii) Maintaining cordial employer-employee relations.
- (iv) Tackling of labour problems
- (v) Co-ordination with out side agencies.

III. Functions important for developing countries

- (i) Management of share resources.
- (ii) Dealing with public bureaucracy
- (iii) Acquiring and overseeing assembly of the factory.
- (iv) Industrial designing and engineering
- (v) Marketing of product and responding to competitions.

- (vi) Industrial new product
- (vii) Perception of market opportunities
- (viii) Financial and production management
- (ix) Management of customers and supplies relations.
- (x) Management of scarce resources.

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