

Entrepreneurship



Development

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Entrepreneur

- The word entrepreneur is derived from the French word 'enterprendre' it means "to undertake" and literally translated means "between-taker" or "go-between".
- Entrepreneur is an individual who takes risk and starts something new.
- Development of entrepreneurship
 - Earliest period.
 - Middle Ages.
 - 17th Century.
 - 18th Century.
 - 19th and 20th centuries.

Entrepreneurship

- Entrepreneurship is the process of creating something new with value of devoting the necessary time and effort, assuming the accompanying financial, psychic and social risk and receiving the resulting rewards of monetary and personal satisfaction and independence.

Functions of Entrepreneur

- Innovation.
 - The unexpected success or failure or any unexpected outside event.
 - Innovation based on process need.
 - Changes in industry and market structure.
 - Demographics changes.
 - New knowledge.
- Risk and uncertainty bearing.
- Organization building.
 - Perception of market opportunities.
 - Gaining command over scarce resources.
 - Purchasing inputs.
 - Marketing the products.
 - Dealing with bureaucrats.
 - Managing human relations within the firm.
 - Managing customer and supplier relations.
 - Managing finance.
 - Managing production.
 - Acquiring and overseeing assembly of the factory.
 - Upgrading process and product.
 - Introducing new production techniques and products.

Type of Entrepreneur

Classification according to type of business.

- Business Entrepreneurs.
- Trading Entrepreneurs.
- Industrial Entrepreneurs.
- Corporate Entrepreneurs.
- Agricultural Entrepreneurs.

Classification according to use of technology.

- Technical entrepreneur.
- Professional entrepreneur.
- Non-technical entrepreneur.
- High-tech entrepreneur.

Type of Entrepreneur

Classification according to motivation of entrepreneur.

- Pure entrepreneur.
- Induced entrepreneur.
- Motivated entrepreneur.
- Spontaneous entrepreneur.

Classification according to growth.

- Growth entrepreneur.
- Super growth entrepreneur.

Classification according to stages of development.

- First generation entrepreneur.
- Modern entrepreneur.
- Classical entrepreneur.

Entrepreneur and Entrepreneurship

Entrepreneur	Entrepreneurship
Person	Process
Visualizer	Vision
Organizer	Organization
Decision maker	Decision Making
Innovator	Innovation
Risk bearer	Risk bearing
Motivator	Motivation
Creator	Creation
Leader	Leadership
Manager	Management
Initiator	Initiation
Planner	Planning
Technician	Technology
Communicator	Communication
Administrator	Administration

Stages of Entrepreneurial Process

- Conducting Opportunity Analysis.
- Developing the plan and setting up the company.
- Acquiring financial partners and sources of funding.
- Determining resources required and implementing the plan.
- Scaling and harvesting the venture.

Role of Entrepreneurs in Economic Development.

- Capital formation.
- Generation of employment.
- Improvement in per capita income.
- Reduces concentration of wealth.
- Balanced regional development.
- Resource mobilization.
- Improvement in standard of living.
- National self-reliance.
- Harnessing natural resources.
- Backward and forward linkages.
- Sense of purpose.

Creativity and Innovation

- Sources of new ideas.
 - consumers.
 - Existing companies.
 - Distribution channels.
 - federal Government.
 - Research and development.
- Methods of generating ideas.
 - Focus Groups.
 - Brainstorming.
 - Problem inventory analysis.

Creativity and Innovation

- Creative problem solving.
 - Brainstorming.
 - Reverse brainstorming.
 - synectics.
 - Gordon method.
 - checklist method.
 - Free association.
 - Forced relationship.
 - collective notebook method.
 - Heuristics.
 - scientific method.
 - value analysis.
 - Attribute listing.
 - matrix charting.
 - Big dream approach.
 - Parameter analysis.

Innovation and Entrepreneurship

Schumpeter has firmly expressed his opinion that the function of entrepreneurship is innovation.

- Innovation of new product.
- Innovation of new technology.
- Innovation of new process of production methods.
- Exploration of new markets.
- Searching for the new sources and supply.
- Innovation of industrial reconstruction method.

The Business Plan

The Business plan will take more than 200 to 300 hours to prepare, depending upon the experience and knowledge of the entrepreneur as well as the purpose it is intended to serve.

The detail outline of the business plan is as follows:

- Introductory Page.
 - Name and address of the business.
 - Name and address of the entrepreneur.
 - Nature of the business.
 - statement of financing need.
 - statement of confidentiality of report.

The Business Plan

- Executive summary.
 - The summary should be at least four pages that summarizing the complete business plan.
- Industry analysis.
 - Future outlook and trends.
 - analysis of competitors.
 - Market segmentation.
 - Industry forecasts.
- Description of ventures.
 - product.
 - services.
 - size of business.
 - office equipment and personnel.
 - background of entrepreneurs.

The Business Plan

- Production plan.
 - Manufacturing process.
 - Physical plant.
 - Machinery and equipment.
 - Names of suppliers of raw materials.
- Marketing plan.
 - Pricing.
 - distribution.
 - promotion.
 - product forecast.
- Organizational Plan.
 - Form of ownership.
 - Identification of partners or shareholders.
 - Authority of principals.
 - Management team background.
 - roles and responsibilities of members of organisation.

The Business Plan

- Assessment of risk
 - evaluate weakness of business.
 - New technologies.
 - contingency plans.
- Financial plans.
 - pro forma income statements.
 - cash flow projections.
 - pro forma balance sheet.
 - Break-even analysis.
 - sources and applications of funds.
- Appendix.
 - Letters.
 - Market research data.
 - Leases or contract.
 - Price lists from suppliers.

The Business Plan

- The business plan is designed to guide the entrepreneur through the first year of operations.
- There has been the tendency among many entrepreneurs to avoid planning.
- Planning is an important part of any business operations.
- Without good planning the entrepreneur is likely to pay an enormous price.
- Without good planning the employees will not understand the company's goals and how they are expected to perform in their jobs.

The Business Plan

- Sources of information.
 - Small business administration.
 - Department of commerce.
 - federal information centers.
 - Bureau of census.
 - state and municipal governments.
 - banks.
 - chamber of commerce.
 - trade associations.
 - trade journals.
 - libraries.
 - Universities and community colleges.