

## **Lecture No.1**

### **ENTREPRENEUR**

#### **Entrepreneur**

The entrepreneur as a person brings in overall change through, innovation- for the maximum social good. Human values remain sacred and inspire him to serve society. He has firm belief in social betterment and he carries out this responsibility with conviction. In this process, he accelerates personal, economic as well as human- development.

The entrepreneur is a visionary and an integrated man with outstanding leadership qualities. With a desire to excel, he gives top priority to Research and Development. . He always works for the well being of the society. More importantly entrepreneurial activities encompass all fields / sectors and foster a spirit of enterprise for the welfare of mankind.

#### **Urges of an Entrepreneur**

An urge to exercise powers over things and objects persists among all human beings. The urge may vary in degree from person to person. This urge is an intrinsic quality of an entrepreneur. Sociologists consider him as a sensitive energizer in the modernization of societies.

The entrepreneur is a critical factor in the socio-economic change. He is the key person who envisages new opportunities, new techniques, new lines of production, new products and coordinates all other activities. The true entrepreneur is one who is endowed with more than average capacities in the task of organizing and coordinating the various other factors of production. He should be a pioneer, a captain of industry. The supply of such entrepreneurship is however quite limited and enterprise in general consists of several grades of organizational skill and capability. The more efficient entrepreneurs receive a surplus reward over and above the managerial wages and this sum constitutes true profit ascribable to superior talent.

## **New Concept of Entrepreneur**

The term “entrepreneur” has been defined as one who detects and evaluates a new situation in his environment and directs the making of such adjustments in the economic systems, as he deems necessary. He conceives of an industrial enterprise for the purpose, displays considerable initiative, grit and determination in bringing his project to fruition, and in this process, performs one or more of the following:

1. Perceives opportunities for profitable investments
2. Explores the prospects of starting such a manufacturing enterprise
3. Obtains necessary industrial licenses
4. Arranges initial capital
5. Provides personal guarantees to the financial institutions
6. Promises to meet the shortfalls in the capital; and Co
7. Supplies technical know-how.

Entrepreneurship may be defined in various ways, but the four key elements involved in it are:

1. Innovation
2. Risk-taking
3. Vision, and
4. Organizing skill.

All the four elements are inter-related and form a continuous process in business. Entrepreneurial vision encompasses the relentless pursuit for operational excellence, innovative technology and being responsive to the needs of the market place.

## **Importance of an Entrepreneur**

The Entrepreneur is one of the most important inputs in the economic development of a country or of regions within the country. Entrepreneurial competence makes all the difference in the rate of economic growth. In India, State and private entrepreneurship co-exist. The small-scale industrial sector and business are left completely to private entrepreneurs. It is in this context that an increasingly important role has been assigned to the identification and promotion of entrepreneurs for this sector.

The need for a broad-based entrepreneurial class in India arises from the need to speed up the process of activating the factors of production, leading to a higher rate of economic growth, dispersal of economic activities, development of backward and tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and involvement of all sections of the society in the process of growth.

Several factors go into the making of an entrepreneur. Individuals who initiate, establish, maintain and expand new enterprises constitute the entrepreneurial class. The social-political and economic conditions, the availability of industrial technology and know how, state of art and culture of business and trading, existence of markets for products and services and the incentives and facilities available for starting an industry or business, all have a bearing on the growth of entrepreneurship. A conducive environment is created through the policies and interest of the government in economic and industrial development.

### **Entrepreneurial Behaviors**

- Grasping opportunity
- Taking initiative
- Solving problems creatively
- Managing autonomously
- Taking responsibility for, and ownership of things
- Seeing things through
- Networking effectively to manage interdependence
- Putting things together creatively
- Using judgment to take calculated risk.

### **Entrepreneurial Attributes**

- Achievement orientation and ambition
- Self confidence and self esteem
- Perseverance
- High internal locus of control (autonomy)

- Action orientation
- Preference for learning by doing
- Hard-working
- Determination
- Creativity

### **Entrepreneurial Skills**

- Creative problem-solving
- Persuading
- Negotiating
- Selling
- Proposing
- Holistically managing business/projects/situations
- Strategic thinking
- Initiative decision-making under certainty
- Networking

