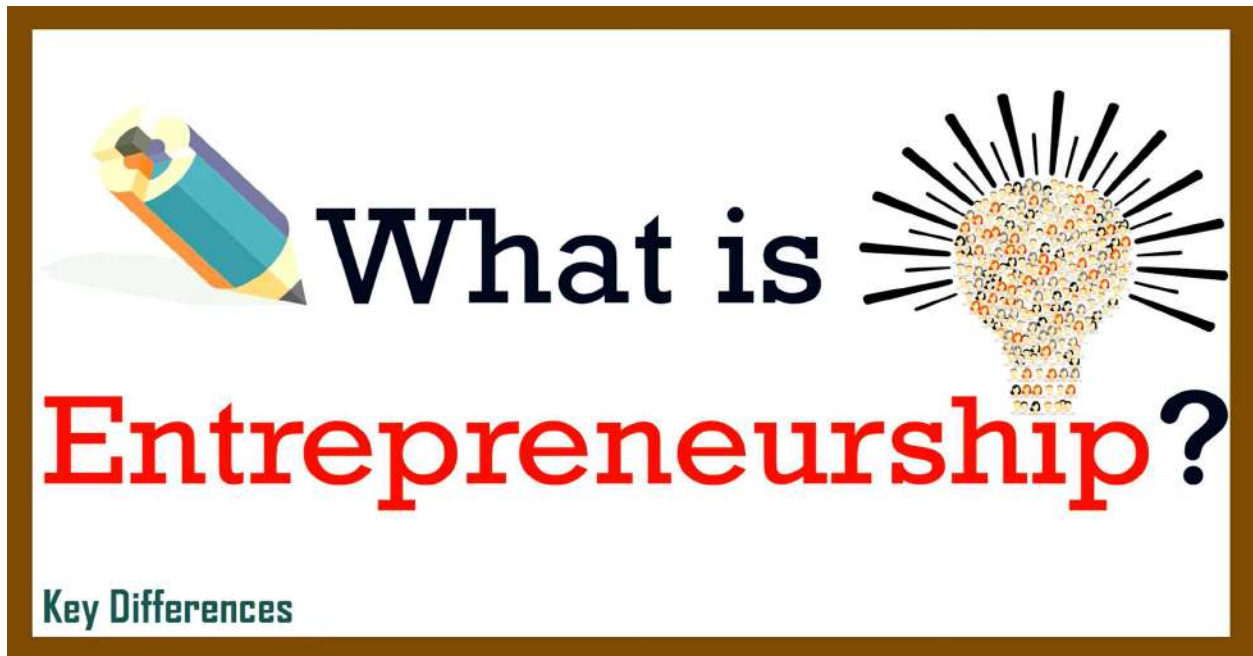


Innovation, Startup & Entrepreneurship (ISE)

27 Dec.2023- 05 Jan. 2024




What is Entrepreneurship?

Key Differences



Entrepreneur

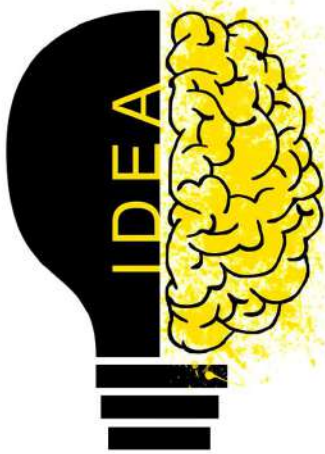


Entrepreneurship



Enterprise

Entrepreneurship



Entrepreneurship refers to a process of starting a new enterprise and operating it, so as to create a product, having value for people by giving necessary time and effort, and bearing all the financial risks, difficulties and challenges, with an intention to make profit.

Entrepreneur



An entrepreneur is a person with a unique idea, who takes initiative of developing a new venture, arranges all the resources and is ready to bear all the risks and takes all the necessary decisions to provide products and services that has value to the customer.

Entrepreneur

- High Degree of Commitment ✓
- High energy level ✓
- Foresightedness ✓
- Desire for Responsibility ✓
- Risk Taking ability ✓
- Leadership and Managerial Skills ✓
- Value for achievement over money ✓
- Open-mindedness and optimism ✓

Characteristics of Entrepreneurship



Economic Activity



Innovation



Risk

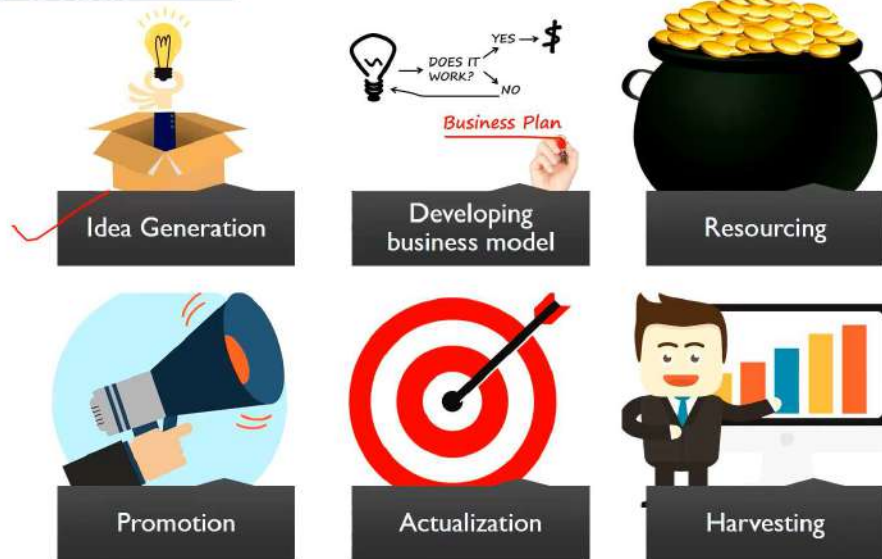


Profit



Teamwork

Entrepreneurial Process



ENTREPRENEUR

- The word originates from the **French word**
- **Entreprendre**
- which means "**to undertake.**"

The term entrepreneur was first used by **Richard Cantillon**

In his essay on "The Nature of Commerce" (1755).

According to Richard Cantillon an entrepreneur was one who buys factor services at certain prices in order to combine them to produce a product and sell it at uncertain prices at the moment at which he commits himself to his costs.



According to **Jean Baptiste Say**,

Entrepreneur is an **economic agent**

- who units all means of production
- land of one, labour of another and capital of yet another and
- thus produce a product.
- By selling the product,
- he pays rent of land; wages to labour, interest on capital and
- what remains is his profit.

Thus a capitalist provides finance whereas entrepreneur is an organizer. He coordinates, organize and supervise.

According to **Joseph. A. Schumpeter**

An entrepreneur is an **Innovator**

- who innovates raises money,
- collect inputs organize talents,
- provides leadership and
- sets the organization in proper order.



Hence, Entrepreneur is a

- **Uncertainty bearer** (F. H. Knight)
- **Organiser** (J. B. Say)
- **Innovator** (Joseph A. Schumpeter)
- **Industrialist** (Adam Smith)
- **Opportunist** (Peter F. Drucker)

CONCLUSION: A person who tries to create something new, organizes production and undertakes risks and handles economic uncertainty involved in enterprise is an entrepreneur.

Example:

- Jamshedji Nusserwanji Tata,
- G.D. Birla,
- Jamnalal Bajaj, .
- Dhirubhai Ambani etc...



Characteristics of Entrepreneurs

An entrepreneur is a highly achievement oriented, enthusiastic and energetic individual, who has following characteristic:

1. Calculated Risk Taker
2. Innovator (Schumpeter)
3. Organiser (J.B. Say)
4. Uncertainty bearer
5. Creative
6. Self-confident
7. Optimistic (Positive Thinkers)
8. Decision maker
9. Action oriented
10. Visionary
11. Business planner
12. Opportunists
13. Stress taker
14. Leadership
15. A venture capitalist



Characteristics/Trait of Entrepreneurs

Mc Clelland discuss following qualities or characteristics:

- Mental ability
- Clear objective
- Business secrecy
- Human relation ability
- Communication ability
- Technical knowledge

Robert H. Hisrich

- Motivator
- Self-confident
- Long-term involvement
- High-energy level
- Persistence problem solver
- Initiative
- Goal setter
- Moderate risk taker -Leadership



Different Authors has different views on regarding **function of Entrepreneur.**

According to Marshall : Organisation and Management of the Productive Enterprise.

According to J.B. Say & Cantillon : Risk taking

According to Prof. B.R. Knight : Risk taking & Control.

According to Schumpeter : Innovation

According to Arthur H.Cole : Decision Making

So We can classify the function of an Entrepreneur under following heads:

(I) Entrepreneurial Function

(II) Primary Function

(III) Other Function



(I) Entrepreneurial Function

- Idea generation
- Determination of objectives
- Raising of funds
- Procurement of raw material
- Procurement of machinery
- Market research
- Determination of form of enterprise
- Recruitment of manpower
- Implementation of project



(II) Primary functions:-

- Planning
- Organizations
- Decision Making
- Management
- Innovation
- Risk Bearing
- Uncertainty Bearing (Trade, Credits, trends of market.)

(III) Other Functions:-

- Diversification of production
- Expansion of the enterprise
- Maintaining cordial employer-employee relations
- Tackling of labour problems.
- Coordination with outside agencies.

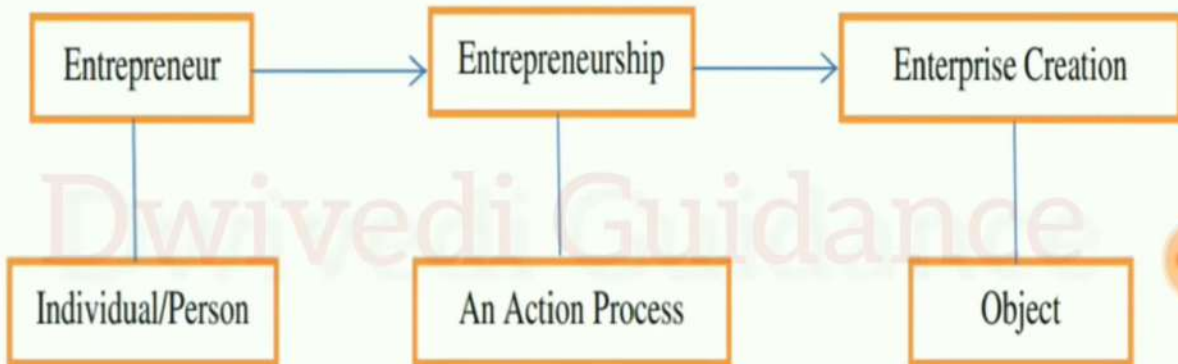


ENTREPRENEURSHIP

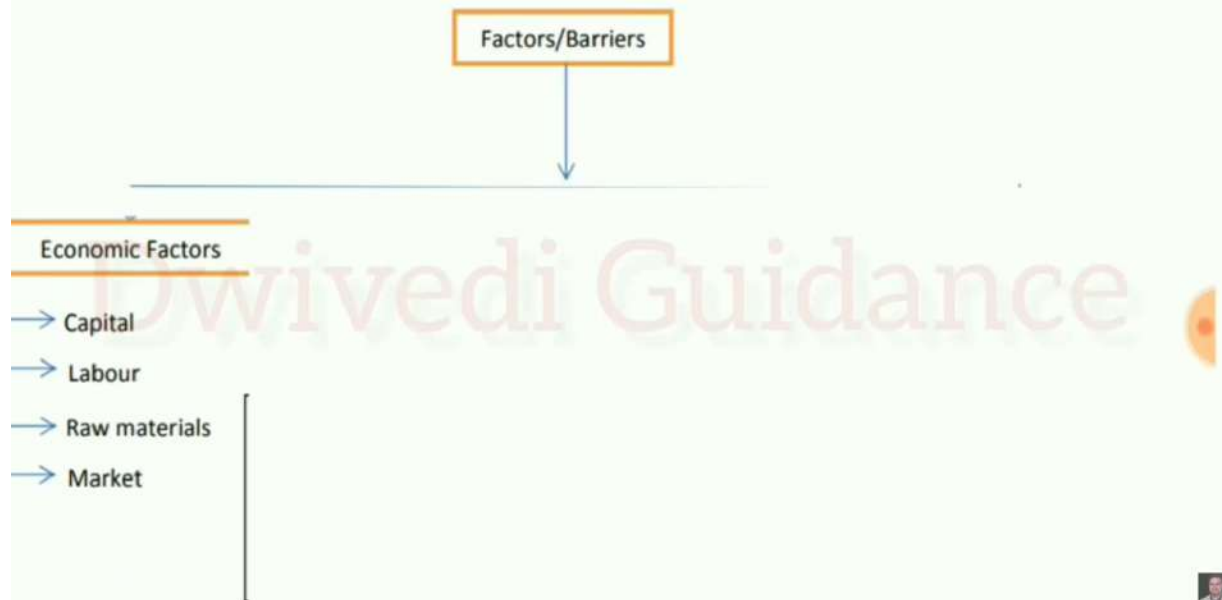
- According to H. Cole, “Entrepreneurship is the purposeful activity of an individual or a group or associated individuals undertaken to initiate, maintain and aggrandize profit by production or distribution of economic goods and services.”
- Entrepreneurship is a process or course of action undertaken by entrepreneur to successfully run an enterprise
- Entrepreneurship refers to an action/ process of entrepreneur (person) towards establishing an enterprise



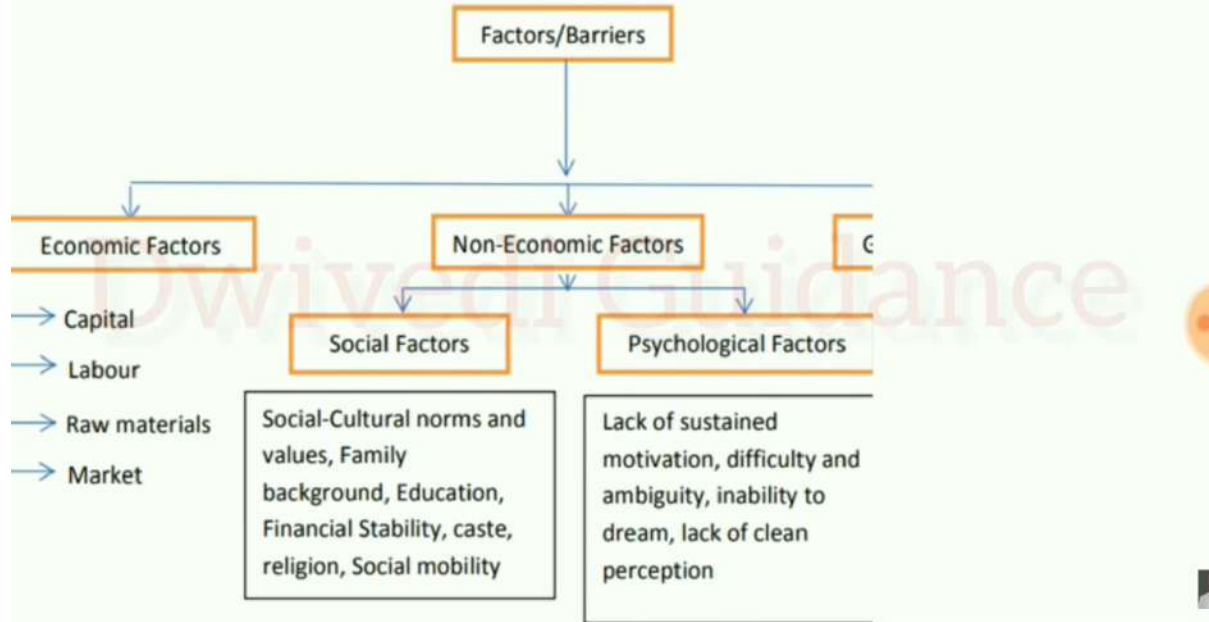
EEE of Entrepreneurship Development



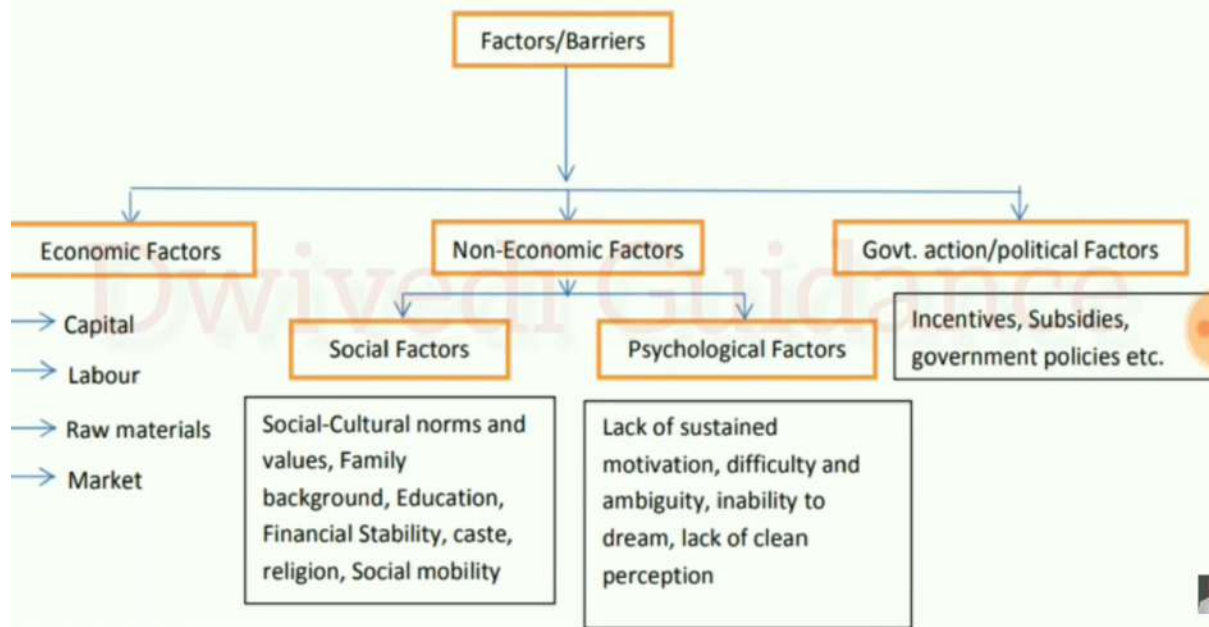
BARRIERS TO ENTREPRENEURSHIP



BARRIERS TO ENTREPRENEURSHIP



BARRIERS TO ENTREPRENEURSHIP



Karl H. Vasper has identified following barriers:

- Lack of viable concept
- Lack of market knowledge
- Lack of technical skills
- Lack of seed capital
- Lack of business know-how
- Competency Lack of motivation
- Social stigma
- Legal constraints and regulations
- Inhibitions due to patent



Role of Entrepreneur in Economic Growth

- Employment Generation
- National Income
- Dispersal of Economic Power
- Balanced Regional Development
- Harnessing Locally Available Resources and Entrepreneurship
- Reducing Unrest and Social Tension Amongst youth
- Innovations in Enterprises
- Improvement in Living Standards
- Economic Independence



CAUSES OF SUCCESS AND FAILURE OF ENTREPRENEUR

- Selection of business
- Proper planning.
- Initial capital
- Determination of market demand
- Marketing of product
- Education and experience
- Joint initiative
- Employment
- Location of business
- Qualities of management



Myth to becoming an ENTREPRENEUR

- Entrepreneur are born, not made
- Money is needed to be an Entrepreneur
- Luck is needed to be an Entrepreneur
- Entrepreneurs are academic and social misfits
- Entrepreneurs are always inventors
- Entrepreneurs are doers, not thinkers.



Entrepreneurship Development

Type of Entrepreneur



Types of Entrepreneur

- **On the basis of type of Business :** Business Entrepreneur, Trading Entrepreneur, Industrial Entrepreneur, Corporate Entrepreneur, Agricultural Entrepreneur, Retail Entrepreneur, Service Entrepreneur.
- **On the basis of use of Technology:** Technical Entrepreneur, Non-Technical Entrepreneur, Professional Entrepreneur
- **On the basis of Motivation:** Pure Entrepreneur, Induced Entrepreneur, Motivated Entrepreneur, Spontaneous Entrepreneur
- **On the Basis of Entrepreneurial Activity:** Novice, Serial Entrepreneur, Portfolio Entrepreneurs
- **On the basis of Clarence Danhof:** Innovative Entrepreneurs, Adoptive or Imitative Entrepreneurs, Fabian Entrepreneurs, Drone Entrepreneurs.
- **On the basis H.Cole:** Empirical, Rational , Cognitive
- **On the basis of Ownership :** Private, Public
- **On the Scale of Enterprise:** Small Scale, Large Scale
- **On the Basis of Area:** Rural & Urban Entrepreneurs
- **On the basis of Gender:** Men & Women Entrepreneur

ON THE BASIS OF TYPE OF BUSINESS.

Business Entrepreneur

- He is an individual who discovers an idea to start a business and then builds a business to give birth to his idea. E.g; Ola, Uber etc.

They discover Idea
And start business



ON THE BASIS OF TYPE OF BUSINESS.

Business Entrepreneur

- He is an individual who discovers an idea to start a business and then builds a business to give birth to his idea. E.g; Ola, Uber etc.

Trading Entrepreneur

- He is an entrepreneur who undertakes trading activity i.e.; buying and selling manufactured goods.

Industrial Entrepreneur

- He is an entrepreneur who undertakes manufacturing activities.

Corporate Entrepreneur:

- He is a person who demonstrates his innovative skill in organizing and managing a corporate undertaking.

Agricultural Entrepreneur:

- They are entrepreneurs who undertake agricultural activities such as raising and marketing of crops, fertilizers and other inputs of agriculture.
- They are called agripreneurs.



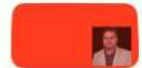
Retail Entrepreneur:

- Medical shops, fruit shops etc.

Service Entrepreneur:

- Beauty parlour, airlines, drycleaning etc.

Dwivedi Guidance 

**CLASSIFICATION ON THE BASIS OF ENTREPRENEURIAL ACTIVITY****Novice:**

- A novice is someone who has started his/her first entrepreneurial venture.

Serial Entrepreneur:

- A serial entrepreneur is someone who is devoted to one venture at a time but ultimately starts many.
- He repeatedly starts businesses and grows them to a sustainable size and then sells them off.

Portfolio Entrepreneurs:

- A portfolio entrepreneur starts and runs a number of businesses at the same time.



CLASSIFICATION BY CLARENCE DANHOF

Innovative Entrepreneurs

- An innovative entrepreneur, introduces new goods, inaugurates new methods of production, discovers new markets and reorganizes the enterprise.
- Innovative entrepreneurs bring about a transformation in lifestyle and are always interested in introducing innovations.

Adoptive or Imitative Entrepreneurs

- Imitative entrepreneurs do not innovate the changes themselves, they only imitate techniques and technology innovated by others.
- They copy and learn from the innovating entrepreneurs. While innovating entrepreneurs are creative, imitative entrepreneurs are adoptive.

Fabian Entrepreneurs:

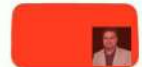
- These entrepreneurs are traditionally bounded. They would be cautious.
- They neither introduce new changes nor adopt new methods innovated by others entrepreneurs. They are shy and lazy.
- They try to follow the footsteps of their predecessors. They follow old customs, sentiments etc. They take up new projects only when it is necessary to do so.



Drone Entrepreneurs

- Drone entrepreneurs are those who refuse to adopt and use opportunities to make changes in production.
- They would not change the method of production already introduced.
- They follow the traditional method of production.
- They may even suffer losses but they are not ready to make changes in their existing production methods.

Dwivedi Guidance



On the basis of use of Technology

Technical Entrepreneur

- are of craftsman type.
- Concerned with technical aspect of products.
- Develop new & improved quality goods.
- Concentrate more on production than on marketing.

Non-Technical Entrepreneur

- Not concerned with technical aspects of products.
- Develop marketing techniques and distribution strategies to promote their business.
- Concentrate more on marketing aspects.

Professional Entrepreneur

- Interested in Establishing a business but not interested in managing or operating once established
- Sell-out running business &
- Start another venture with new idea.



On the basis of Motivation

Pure Entrepreneur

- Undertakes an entrepreneurial activity for his/her personal satisfaction in work, ego or status.
- Guided by motive of profit

Example: Dhirubhai Ambani of Reliance Group

Induced Entrepreneur

- Start a business when they get facilities to start a business from government.
- Such as: Assistance, Incentives, Concession, Necessary Overheads many more.

Motivated Entrepreneur

- Motivated by desire of self-fulfilment.
- Motivated by the desire to make use of their technical and professional expertise and skills.

Spontaneous Entrepreneur

- Are natural entrepreneur
- Start business for self employment



Innovation, Startup and Entrepreneurship (ISE)

Unit-I Topic 2

I. ROLE MODELS OF ENTREPRENEURSHIP:

Global:

Elon Musk: Founder of SpaceX, Tesla, Neuralink, and co-founder of PayPal. Musk is known for his ambitious vision for the future, including the colonization of Mars and the transition to sustainable energy.

Oprah Winfrey: Media mogul, talk show host, and philanthropist. Oprah has built an empire around her media and entertainment ventures and is known for her influence and impact on diverse industries.

Bill Gates: Co-founder of Microsoft, Gates played a pivotal role in the personal computer revolution. He's also a notable philanthropist through the Bill and Melinda Gates Foundation.

Steve Jobs: Co-founder of Apple Inc. and a key figure in the development of personal computing, smartphones, and digital music. Jobs was known for his focus on design and innovation.

Mark Zuckerberg: Co-founder and CEO of Facebook (now Meta). Zuckerberg has played a significant role in shaping social media and its impact on global communication.

Warren Buffett: Chairman and CEO of Berkshire Hathaway, Buffett is one of the most successful investors of all time. His approach to value investing and long-term thinking has made him a widely respected figure.

Arianna Huffington: Co-founder of The Huffington Post. Huffington is an entrepreneur, author, and advocate for well-being, focusing on the importance of sleep and mindfulness.

Richard Branson: Founder of the Virgin Group, Branson is known for his adventurous spirit and diverse business ventures, spanning music, airlines, telecommunications, and space tourism.

Sara Blakely: Founder of Spanx, Blakely revolutionized the undergarment industry with her innovative products. She is a self-made billionaire and a strong advocate for women in business.

Jack Ma: Co-founder of Alibaba Group, Ma has been instrumental in the growth of e-commerce in China. He is known for his charismatic leadership and vision for the future of global commerce.

These entrepreneurs have made significant contributions to their respective industries and serve as inspirations for individuals looking to make their mark in the business world. Each has a unique story and set of skills that aspiring entrepreneurs can learn from.

Indians:

Dhirubhai Ambani: Founder of Reliance Industries, Dhirubhai Ambani is widely regarded as one of the greatest Indian business leaders. He transformed his small textile business into a conglomerate with interests in petrochemicals, refining, oil, and gas exploration.

Ratan Tata: Former chairman of the Tata Group, Ratan Tata played a key role in expanding the conglomerate globally. Under his leadership, the Tata Group diversified into various industries, including steel, automobiles, and information technology.

Azim Premji: Chairman of Wipro Limited, Azim Premji is a leading figure in the Indian IT industry. He transformed Wipro from a small cooking oil company into one of the world's largest IT consulting and services companies.

Kiran Mazumdar-Shaw: Founder of Biocon Limited, Kiran Mazumdar-Shaw is a pioneer in the Indian biotechnology industry. She built Biocon into a leading global biopharmaceutical company, focusing on research and development of innovative medicines.

N. R. Narayana Murthy: Co-founder of Infosys, Narayana Murthy is a prominent figure in the Indian IT sector. Infosys, under his leadership, became one of the largest and most successful IT services companies in the world.

Shiv Nadar: Founder of HCL Technologies, Shiv Nadar is a technology and business visionary. He played a crucial role in the growth of the Indian IT industry and is known for his philanthropic activities in the field of education.

Indra Nooyi: Former CEO of PepsiCo, Indra Nooyi is an influential business leader. Born in India, she rose to become one of the most powerful women in the corporate world, leading PepsiCo through a period of significant growth.

Mukesh Ambani: Chairman and Managing Director of Reliance Industries, Mukesh Ambani is the son of Dhirubhai Ambani. Under his leadership, Reliance has diversified into telecommunications with the launch of Jio, making it a major player in the industry.

Anand Mahindra: Chairman of the Mahindra Group, Anand Mahindra has led the conglomerate to become a global player in sectors such as automobiles, aerospace, and information technology.

Kunal Bahl and Rohit Bansal: Co-founders of Snapdeal, an e-commerce platform. Bahl and Bansal are examples of successful young entrepreneurs who have made their mark in the competitive e-commerce industry in India.

These entrepreneurs have not only achieved significant success in their respective fields but have also contributed to the growth and development of the Indian business landscape. They serve as inspiration for the next generation of entrepreneurs in the country.

- **Exercise 1: Write about 3 global and 3 Indian entrepreneurial role models whom you know and inspired you**

II. COMMON ENTREPRENEURIAL CHARACTERISTICS:

Successful entrepreneurs often share certain characteristics that contribute to their ability to identify opportunities, take risks, and build successful businesses. Here are some common entrepreneurial characteristics:

Vision: Entrepreneurs have a clear vision of what they want to achieve. They can see opportunities where others might see challenges and have a long-term perspective on their goals.

Risk-taking: Entrepreneurship involves a degree of risk, and successful entrepreneurs are willing to take calculated risks. They understand that failure is a part of the process and are resilient in the face of setbacks.

Innovativeness: Entrepreneurs are often innovators, constantly seeking ways to improve products, services, or processes. They are open to new ideas and are willing to challenge the status quo.

Adaptability: The business environment is dynamic, and entrepreneurs need to be adaptable. They can adjust their strategies in response to changing market conditions, technological advancements, or other external factors.

Passion: Successful entrepreneurs are passionate about their ventures. This passion fuels their drive to overcome obstacles and keeps them motivated during challenging times.

Self-motivation: Entrepreneurs often need to be self-starters. Without a boss or a rigid structure, they must motivate themselves to set and achieve goals.

Resilience: Failure is not uncommon in entrepreneurship. Resilient entrepreneurs learn from their failures, bounce back from setbacks, and use adversity as a stepping stone to future success.

Decision-making skills: Entrepreneurs must make numerous decisions, often with limited information. Successful entrepreneurs are decisive and can make choices that align with their vision and goals.

Leadership: Entrepreneurs need strong leadership skills to guide their team, inspire confidence, and create a positive and productive work environment.

Networking skills: Building and maintaining relationships is crucial in business. Entrepreneurs often need to connect with mentors, partners, investors, and customers to grow their ventures.

Financial acumen: Understanding the financial aspects of a business, including budgeting, cash flow management, and financial forecasting, is crucial for entrepreneurial success.

Customer focus: Successful entrepreneurs prioritize the needs of their customers. They seek to understand their target audience, identify pain points, and develop products or services that meet customer demands.

Persistence: Building a successful business takes time, and entrepreneurs need persistence to overcome challenges and stay committed to their goals.

While not every entrepreneur possesses all of these characteristics, a combination of these traits can contribute to the success of an entrepreneurial venture. Additionally, individuals can develop and enhance these characteristics through experience, learning, and personal growth.

- **Exercise 2: Write about the FIVE entrepreneurial characteristics you have**

III. ROLE OF ENTREPRENEURSHIP IN THE ECONOMIC DEVELOPMENT:

Entrepreneurship plays a crucial role in the economic development of a nation. It serves as a catalyst for growth and innovation, contributing to various aspects of economic progress. Here are key ways in which entrepreneurship impacts economic development:

Job Creation: Entrepreneurs create new businesses, which, in turn, generate employment opportunities. Small and medium-sized enterprises (SMEs), often started by entrepreneurs, are significant contributors to job creation, helping reduce unemployment rates.

Innovation and Technological Advancement: Entrepreneurs are often at the forefront of innovation. They identify market gaps, develop new products or services, and introduce technological advancements. This innovation leads to increased productivity, efficiency, and competitiveness in the economy.

Economic Diversification: Entrepreneurial ventures contribute to economic diversification by introducing new industries and sectors. This diversification helps reduce dependency on a single industry, making the economy more resilient to external shocks and fluctuations.

Wealth Creation: Successful entrepreneurs generate wealth not only for themselves but also for the broader society. As businesses grow, they contribute to increased incomes, tax revenues, and overall economic prosperity.

Market Competition: Entrepreneurial activities foster healthy competition in the market. This competition encourages businesses to improve the quality of their products and services, reduce prices, and enhance efficiency to stay competitive.

Regional Development: Entrepreneurship can spur development in specific regions. Entrepreneurs often establish businesses in areas with untapped potential, leading to the growth of infrastructure, services, and a higher standard of living in those regions.

Foreign Direct Investment (FDI): Entrepreneurial success can attract foreign investors and contribute to FDI. Foreign investors may see opportunities to invest in or partner with successful entrepreneurial ventures, bringing additional capital and expertise to the economy.

Poverty Alleviation: Entrepreneurship provides individuals with the opportunity to create their own businesses and escape poverty. It empowers people to improve their economic conditions through hard work, creativity, and determination.

Global Competitiveness: Entrepreneurial ventures that are able to scale and compete globally enhance a country's international competitiveness. They contribute to the nation's positive image, attract foreign investment, and facilitate global trade.

Knowledge and Skill Development: Entrepreneurship encourages continuous learning and skill development. As individuals start and manage businesses, they acquire valuable skills, and this knowledge transfer contributes to a more skilled and adaptable workforce.

Social Impact: Entrepreneurs often address social and environmental challenges through their ventures. Social entrepreneurship, in particular, focuses on creating businesses with a positive impact on society, such as addressing poverty, healthcare, and education issues.

Government Revenue: Successful entrepreneurial ventures contribute to government revenue through taxes. As businesses grow and prosper, they contribute to the tax base, providing funds for public services and infrastructure development.

In summary, entrepreneurship is a dynamic force that drives economic development by creating jobs, fostering innovation, promoting competition, and contributing to the overall prosperity of a nation. Governments and policymakers often recognize the importance of fostering an entrepreneurial ecosystem to support and nurture the growth of businesses within their jurisdictions.

- **Exercise 3: What role you want to play as an entrepreneur**

IV. ENTREPRENEURSHIP IN THE NEW MILLENNIUM:

Entrepreneurship in the new millennium has been shaped and influenced by various factors, including technological advancements, changing consumer behaviors, and evolving global trends. Here are some key aspects of entrepreneurship in the 21st century:

Technology and Digital Transformation:

E-commerce and Online Business: The rise of the internet has led to the proliferation of online businesses. E-commerce platforms, digital marketplaces, and online services have created new opportunities for entrepreneurs to reach global audiences.

Tech Startups: The new millennium has seen a surge in technology startups, driven by innovations in artificial intelligence, blockchain, biotechnology, and other emerging fields.

Remote Work and Virtual Teams:

Flexibility: Advances in communication technology have facilitated remote work, allowing entrepreneurs to build and manage teams spread across different locations. This has increased flexibility and access to a global talent pool.

Collaboration Tools: Virtual collaboration tools and project management platforms have become integral for entrepreneurs to coordinate and manage teams efficiently.

Social Media and Marketing:

Digital Marketing: Social media platforms have become powerful tools for marketing and brand building. Entrepreneurs leverage social media for targeted advertising, influencer marketing, and engaging with their audience.

Influencer Culture: Influencers, often entrepreneurs themselves, play a significant role in promoting products and services, creating new avenues for marketing and collaboration.

Startups and Venture Capital:

Startup Ecosystems: Entrepreneurial ecosystems, characterized by incubators, accelerators, and collaborative workspaces, have flourished in many cities worldwide, fostering innovation and networking.

Venture Capital: The availability of venture capital funding has increased, supporting the growth of startups and innovative projects in various industries.

Sustainability and Social Entrepreneurship:

Environmental Awareness: Entrepreneurs in the new millennium are increasingly focused on sustainability and environmental responsibility. Many startups are dedicated to creating eco-friendly products and services.

Social Impact: Social entrepreneurship has gained prominence, with businesses aiming to address social issues and contribute positively to communities.

Data and Analytics:

Data-Driven Decision-Making: Entrepreneurs leverage big data and analytics to make informed decisions, understand customer behavior, and optimize business processes.

Personalization: The use of data allows entrepreneurs to personalize products, services, and marketing efforts to meet the specific needs and preferences of individual customers.

Rapid Innovation and Adaptability:

Agile Approach: Entrepreneurs in the new millennium often adopt an agile approach to business, embracing change and being quick to adapt to new market conditions.

Rapid Prototyping: The ability to rapidly prototype and iterate on ideas has been facilitated by advancements in technology and manufacturing.

Globalization and International Markets:

Access to Global Markets: Entrepreneurs can more easily access global markets and collaborate with international partners, thanks to improved connectivity and communication technologies.

Cross-Border E-Commerce: Cross-border e-commerce has expanded, enabling entrepreneurs to sell their products and services globally.

Entrepreneurship in the new millennium is characterized by a dynamic and fast-paced business environment, where innovation, adaptability, and a strong digital presence are essential for success. Entrepreneurs continue to navigate and capitalize on the opportunities presented by the evolving landscape of the 21st century.

- **Exercise 4: In which area you want to become an entrepreneur in the new millennium**

Some motivational videos

<https://www.youtube.com/watch?v=h-KHWUq3B7I>

https://www.youtube.com/shorts/6Vnw5TXdY_g

<https://www.youtube.com/shorts/8uloav2Mo5M>

<https://www.youtube.com/watch?v=3AkjzDHuWKM>

<https://www.youtube.com/watch?v=lvrpbmMeyY>

about TATA