ENTREPRENEURSHIP: CONCEPT AND DEFINITION

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ENTREPRENEURSHIP
- A theory of evolution of economic activities.
- A continuous process of economic development.
- An ingredient to economic development.
- Essentially a creative activity or an innovative function.
- A risk taking factor which is responsible for an end result.
- Usually understood with reference to individual business.
- The name given to the factor of production, which performs the functions of enterprise.
- Creates awareness among people about economic activity.
- Generates Self-employment and additional employment

WHY ENTREPRENEURSHIP
- To improve backwardness of the people.
- Economic development of the region.
- To analysis resource utilization.
- Proper utilization of human potentiality.
- Special attention to take up new activities.
- To create self-employment and generation of employment opportunity.
- Eradication of regional imbalances.
- Better economic gain.

The early history of entrepreneurship in India reflect from the culture, customs and tradition of the India people. The Baliyatra Festival of Cuttack, Orissa reminiscence of past glory of International trade. To process of entrepreneurship therefore passed through the potential roots of the society and all those who accepted entrepreneurial role had the cultural heritage of trade and business. Occupational pursuits opted by the individual under the caste system received different meaning of value attached to entrepreneurship. Which is based on social sanctions. Vaishyas are considered to venture in to business pursuits. As society grew and the process of business occupation depended and the value work tended towards change and the various occupational role interchanged with non-role group and sub-groups. People from different castes and status also entered into the entrepreneurial role.

The emergence of entrepreneurship in this part of the country got localized and spread effect, took its own time. The concept of growth theory seems to be closely related in explaining the theory of entrepreneurship development as well.

After the Second World War entrepreneurship received new meaning for attaining economic development within the shortest possible time. But in the process they were seriously handicapped by the rigid institutional setup, political instability, marketing imperfection and traditional value system.
Britishers for their own ulterior motive destabilized the then self sufficient Indian economy. England flourished and India had to pay for that. In the process India suffered heavy industrial loss.

Development of business eateries is a complex phenomenon influenced by both the internal and external factors. Internal factor originates in policies and attitude of the entrepreneur themselves.

In controlling the business itself, External factors are beyond the control of the business entrepreneur. They alone account for unpredictability of returns and risks assumed by the entrepreneur. A steady growth can be observed on the business of long cherished history of entrepreneurial development in the country is certainly promised or the environment to be created by the state and its agencies.

The entrepreneurial motivation is one of the most important factors which accelerates the pace of economic development by bringing the people to undertake risk bearing activities. In many of the developing countries a lot of attention is being paid to the development of entrepreneurship because it is not the proprietary quality of any caste and community.

The entrepreneurship is usually understood with reference to individual business. Entrepreneurship has rightly been identified with the individual, as success of enterprise depends upon imagination, vision, innovativeness and risk taking. The production is possible due to the cooperation of the various factors of production, popularly known as land, labour, capital, market, management and of course entrepreneurship. The entrepreneurship is a risk-taking factor, which is responsible for the end result in the form of profit or loss.

According to A Schumpeter “The entrepreneurship is essentially a creative activity or it is an innovative function”.

The economic activity with a profit motive can only be generated by promoting an attitude towards entrepreneurship. The renewed interest in the development of entrepreneurship to take up new venture should emphasize on the integrated approach. The developments of entrepreneurship will optimize the use of the unexploited resources, generate self-employment and a self sufficient economy.

The young entrepreneur should be motivated to come out with determination to do something of their own and also to contribute to the national income and wealth in the economy. If the country wants to achieve the growth at the grass root level, through social justice and the crimination of poverty, it will have to provide institutional support and structural changes in organization of financial institutions to promote entrepreneurship development. Industrial development in any region is the outcome of purposeful human activity and entrepreneurial thrust.

David Melelland emphasized the importance of achievement motivation as the basis of entrepreneurial personality and a cause of economic and social development through entrepreneurship by fulfilling the following needs such as 1) Need for power 2) Need for affiliation and 3) Need for achievement.

Another school of thought says “entrepreneurship is a function of several factors i.e. individual socio cultural environment and support system”.

Entrepreneurship is a vibrant assertion of the facts that individual can be developed, then outlook can be changed and their ideas can be converted into action through an organized and systematic program for entrepreneurs. It was also felt that systematic training can be given a better output and attracting people for taking up business venture can change economic scenario.

Basic objective in developing entrepreneurship and multiplying them in the society has been to enable the society to generate productive human resource, mobilize and sustain the same in subsequent process of development. The spontaneity and continuity of the process would depend on the kind of people that can be prompted and groomed in the entrepreneurial career.

Sociologists, Psychologists and economists have all attempted to give a clear picture of the entrepreneur. Sociologists analyze the characteristic of entrepreneurs in terms of caste, family, social value and migration.

Psychologists on the other hand attempt to isolate entrepreneurs from general population on various personality trials such as need for achievement, creativity, propensity to take risk, independence leadership etc.

Economists, lighted situational characteristics such as occupational backgrounds access to capital business and technological experience and managerial skills with economic gains considered as characteristic of entrepreneur.

As entrepreneur by implication is one who ventures out, who prefers change as a means of growth and it the process is prepared to take a calculated risk while taking risks he is aware of the possibilities, success as well as the consequence of failure.

AN ENTREPRENEURIAL CAREER

Entrepreneurship plays an important role in the economic growth and development of nation. It is a purposeful activity includes in initiation, promotion and distribution of wealth and service. An entrepreneur is a critical factor in economic development and an integral part of the socio-economic transformation. It is a risk taking activity and challenging tasks, needs utmost devotion, total commitment and greater sincerity with fullest involvement for his personal growth and personality. The entrepreneurial career is not a one day job nor it is bed of roses. Prosperity and success never come easily. It takes time and needs hard work. Systematic planning and business acumen to be successful entrepreneur.

Therefore, before choosing this path one should be very careful in knowing about his own self. This introspection process helps him in knowing about himself. Every person has his own potentiality and resource. How he looks in to this aspect. If the person can understand or identify his inner traits then it help him choosing the right path for which he should look into his beliefs, faith values etc. For an entrepreneur it is of great importance to know about himself on the basis of above mentioned individual consideration. These consideration give him ample scope to face his own self by asking the question “Who I am?” If he can given meaning answer to this complex question with exemplary courage and utter personal disregard to being exposed, then it helps him in getting a fair idea about himself. On the whole it helps him to making the right decision in choosing the right path for getting involved for deciding the future course of action. This is nothing but a self-identification process. After having being proper identified his strength, weakness and ability, he can make a decision of his choice, whether he will take up entrepreneurship as a career or not. If yes, then in which entrepreneurial area.
Choosing entrepreneurial career is like choosing a life partner. The person has to be there in the job forever and may have to continue in that chosen line for generations to generation and grows in this process if it is matching; if it mismatches it goes the other way round.

Considering this aspect he should always be governed by three basic qualitative instincts to serve in the world of uncertainty. These are – (1) Will, (2) Zeal, and (3) Skill.

WHO IS AN ENTREPRENUER
- He is a person who develops and owns his own enterprise
- He is a moderate risk taker and works under uncertainty for achieving the goal.
- He is innovative
- He peruses the deviant pursuits
- Reflects strong urge to be independent.
- Persistently tries to do something better.
- Dissatisfied with routine activities.
- Prepared to withstand the hard life.
- Determined but patient
- Exhibits sense of leadership
- Also exhibits sense of competitiveness
- Takes personals responsibility
- Oriented towards the future.
- Tends to persist in the face to adversity
- Convert a situation into opportunity.

The characteristics of an unique entrepreneur are :  
- Need for achievement  
- High need for power  
- Independence  
- Propensity to take risk  
- Personal modernity  
- Support  
- Business enterprise  
- Leadership

Entrepreneurship is not the proprietary quality of any caste or community. Many may possess the qualities, but are baffled with too many questions why, what and how to get about starting new venture.

Are you prepared to accept it ?

WHY ?  
1. Are you prepared to put in hard work for achieving your goal ?  
2. Are you possess a strong will power to face and overcome the difficulties and setbacks and make the enterprise successful ?  
3. It your family environment congenial to leaving the traditional family occupation and undertaking a new venture ?  
4. Are you prepared to wait if it take time to set the results of your efforts ?
WHAT – Information Needed
- Prospects and scope of a particular industry or business
- Technical details
- Quantum of investment etc.
- Information about different field about the particular trade
- Purpose of being the business
- Responsibilities towards customers, employees, society etc.
- For marketing of your product be aware of strength and weakness of your product.
- Factors offering market demand
- Cost and model of distribution etc.
- Manufacturing process
- Plant and machinery
- Availability of new materials
- Production costs’
- Manpower
- Fund requirement of working capital
- Assessment of profitability and repayment of term loan.

HOW - Implementation Plan
- Final selection of product
- Prepare project report
- Registration :
  - Apply to Financial Institutions
  - Provisional Registration
  - Obtain Licenses
  - Apply for shed, Land and Power etc.
  - Arrange your capital
  - Plant Layout
  - Construct shed
  - Obtain utilities
  - Order for NOC
  - Order for raw materials supply etc.
  - Recruitment and training of manpower
  - Arrangements of sales network
  - Trail run/sales promotion technique
  - Introduction of product
  - Commercials production return.

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