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Dr. NR Suryanarayana
Faculty, Department of
Commerce and Management,
Maharani Women's Arts,
Commerce and Management
College, Seshadri Road,
Bengaluru, Karnataka, India

A conceptual study of the entrepreneurship

Dr. NR Suryanarayana

Abstract

An entrepreneur is a person who wants to own his own business. While many people dream of owning their own business entity and creating their own schedule, the entrepreneurial path is not for everyone. A true entrepreneur sees the difference between a nice dream and a viable money-making concept. Research the personality, time and money requirements of being an entrepreneur in detail before deciding to venture into a career of being an entrepreneur. It is essential to study the real time experiences or opinions of entrepreneurs to really know on what it takes to be an entrepreneur and whether the entrepreneur is born or made. The paper intends to study many such collective thoughts about entrepreneurship to highlight the ground realities of entrepreneurship as a career.

Keywords: Entrepreneur, intrapreneurship, entrepreneurship, entrepreneurial experience, entrepreneurial career

Introduction

Traditionally entrepreneurship has been associated with launching new businesses. However, many individuals and institutions are beginning to think of entrepreneurship as a vital life skill that extends far beyond the ability to launch a venture, a life skill that prepares individuals to deal with an ambiguous and uncertain future. Entrepreneurship embodies methods for thinking, acting, identifying opportunities, and approaching problems that enables people to manage change, adjust to new conditions, and to take control of actualizing personal goals and aspirations. It's also a vehicle for developing a set of skills-creative thinking, leadership, decision-making, social networking, to name a few-that taken together, enable individuals to distinguish themselves in a variety of traditional and non-traditional work and life paths. To be entrepreneurial is to be inspired and capable of creating opportunities for one-self.

There's no question that we live in increasingly unpredictable times where the uncertainties are beginning to far outweigh the certainties: high school and college curricula can't keep pace with changing job market needs; unemployment rates are among the highest in generations, especially among young people; mid-career professionals who confidently followed the predictable climb up the corporate ladder only to find themselves jobless are asking "what now?;" and seniors are postponing traditional retirement and looking for new opportunities. The traditional notion of finding and retaining a single stable job for the majority of your working life is a thing of the past. People are being asked to reinvent themselves every 5 years. Uncertainty and rapid change rule the day.

Objectives of the study

- To understand the theoretical framework of Entrepreneurship;
- To Study the Entrepreneurial Process; and
- To know the intricacies of intrapreneurship.

Concepts and characteristics of entrepreneurship

Broadly speaking, entrepreneurship refers to a person working for himself or herself. And because this definition paints a picture of a selfish man, thus, the narrower concepts were developed, highlighting certain characteristics of entrepreneurship. So let us revisit the definition of entrepreneurs and entrepreneurship.

Correspondence

Dr. NR Suryanarayana
Faculty, Department of
Commerce and Management,
Maharani Women's Arts,
Commerce and Management
College, Seshadri Road,
Bengaluru, Karnataka, India

Entrepreneurship

An entrepreneur is a person who undertakes a venture with some profit potential and involving a considerable amount of risk and therefore, entrepreneurship is the venture undertaken by the entrepreneur. The most obvious example of entrepreneurship is the starting of a new business. Entrepreneurship can be of varying degrees and is not necessarily alike. It can be categorized into various subcategories, starting with small and home businesses to multidimensional industries that were started from the ground level.

Ideally speaking, anyone who has the capacity to start a venture and undertake risks can become an entrepreneur. But not all entrepreneurs are successful. There are certain characteristics of entrepreneurship that make for a successful venture. So let us talk a little about these traits that an entrepreneur must possess in order to be successful.

Characteristics of entrepreneurship

While there can be as many characteristics of entrepreneurship as there are people in this world with opinions, there are some characteristics that are considered indispensable or necessary in an entrepreneur. These are listed here as follows.

Ability to take Risks

This is the first and foremost trait of entrepreneurship. Starting any business involves a considerable amount of risk of failure. Therefore, the courage and capacity to take the said risk are essential for an entrepreneur.

Innovation

In a world, where almost everything has been done, innovation is a priceless gift to have. Innovation basically means generating a new idea with which you can start a business and achieve a substantial amount of profits. Innovation can be in the form of a product, i.e., launching a product that no one is selling in the market. It can also be in the form of process, i.e., doing the same work in a more efficient and economical way.

An easy example of product innovation could be the launching of touch screen cell phones when the world was still using a keypad on cell phones. Process innovation can be seen in capital-intensive industries that have to replace manual labour with machines, therefore, increasing their production and reducing their costs.

Another type of innovation can be the one concerned with usage. For examples, cell phones are now used for various functions such as viewing, creating and editing various files and documents, thus, eliminating the need for computers to a large extent.

Visionary

Every entrepreneur needs to be a visionary. Without a vision for the future of his venture, he or she would just be working aimlessly without reaching any point of success.

Leadership

An entrepreneur has a vision. However, it takes a lot of resources to turn that vision into reality. One of these resources are the people that the entrepreneur hires to perform various functions like production, supplying, accounting, etc.

A single person cannot perform all the tasks and therefore it is important to bring some more people to do it. This also makes leadership very important as a leader provides the required direction to the efforts of the employees. Without proper leadership, everyone would be working independently without achieving the desired results.

Open Minded

A good entrepreneur realizes that every situation can be a business opportunity. Thus can be utilized for the benefit of the organization. For example, Paytm realized the significance of demonetization and recognized that the need for online transactions was more than ever during this time and so it utilized and grew massively during this period.

Confident and Well Informed

An entrepreneur needs to be confident about his ideas and skills. This confidence also inspires the confidence of the people working for him as well as the other stakeholders involved in his business.

Importance of entrepreneurship

Entrepreneurship is the dynamic process of creating incremental wealth and innovating things of value that have a bearing on the welfare of an entrepreneur. It provides civilization with an enormous amount of goods and services and enhances the growth of social welfare. The man behind the entrepreneurship is an action-oriented and highly motivated individual who is ready to achieve goals.

M. Kirzner (1973) observes entrepreneurs as; "one who perceives what others have not seen and acts upon that perception". Thus, entrepreneurs take the economy and the society that is the whole civilization to the state of progress and prosperity. The following are the Significance or importance of entrepreneurship.

1. Growth of Entrepreneurship

Entrepreneurship the advent of new venture particularly small ventures in order to materialize the innovative ideas of the entrepreneurs. Thus, the growth or establishment of small enterprises is the specific contribution of entrepreneurship in every economy of the world. The statistics reveal that in USA economy nearly half a million small enterprise is established every year. Our country is not an exception in this regard.

2. Creation of job opportunities

Entrepreneurship firms contributed a large share of new jobs. It provides entry-level jobs so necessary for training or gaining experience for unskilled workers. The small enterprises are the only sector that generates a large portion of total employment every year. Moreover, entrepreneurial ventures prepare and supply experienced labor to the large industries.

3. Innovation

Entrepreneurship is the incubator of the innovation. Innovation creates disequilibria in the present state of order. It goes beyond discovery and does implementation and commercialization, of innovations. "Leapfrog" innovation, research, and development are being contributed by entrepreneurship. Thus, entrepreneurship nurses innovation that provides new ventures, product, technology, market,

quality of good etc. to the economy that increases Gross Domestic Products and standard of living of the people.

4. Impact on community development

A community is better off if its employment base is diversified among many small entrepreneurial firms. It promotes abundant retail facilities, a higher level of home ownership, fewer slums, better, sanitation standards and higher expenditure on education, recreation, and religious activities. Thus, entrepreneurship leads to more stability and a higher quality of community life.

5. The consequence of business failure

The collapse of large industry almost has irresistible damage to the development of state and to the state of the economy and to the financial condition of the relevant persons. The incumbents lost their jobs: suppliers and financial institutions face a crisis of recovery. Customers are deprived of goods, services, and the government losses taxes. This could not happen in the case of failure of entrepreneurship. There shall be no measurable effect upon the economy and no political repercussions too.

6. Political and economic integration of outsiders

Entrepreneurship is the most effective way of integrating those who feel disposed and alienated into the economy. Minorities, migrants, and women are safely integrated into entrepreneurship that will help to develop a well-composed plural society.

7. Spawns entrepreneurship

Entrepreneurship is the nursing ground for new inexperienced adventurers. It is the field where a person can start his/her idea of the venture, which may be ended up in a giant enterprise. All the large industrial ventures started as a small entrepreneurial enterprise. Therefore, entrepreneurship provides a wide spectrum of ventures and entrepreneurs in every economy. The vast open arena of entrepreneurship thus acts as an incubator to entrepreneurs.

8. Enhances standard of living

Standard of living is a concept built on increasing amount of consumption of a variety of goods and services over a particular period by a household. So it depends on the availability of diversified products in the market. Entrepreneurship provides enormous kinds of a product of various natures by their innovation. Besides, it increases the income of the people who are employed in the entrepreneurial enterprises. That also capable employed persons to consume more goods and services. In effect, entrepreneurship enhances the standard of living of the people of a country.

9. Promotes research and development

Entrepreneurship is innovation and hence the innovated ideas of goods and services have to be tested by experimentation. Therefore, entrepreneurship provides funds for research and development with universities and research institutions. This promotes the general development, research, and development in the economy. Entrepreneurship is the pioneering zeal that provides events in our civilization.

Experiences of being an entrepreneur

In today's economy, everyone dreams of being an entrepreneur. This is especially true of Millennials who see it as the "cool" occupation to have at the moment, and the path to social change, riches and freedom.

Consider role models like Facebook chief Mark Zuckerberg and Instagram's Kevin Systrom, who built billion-dollar companies, and it's no surprise that other Millennials want to achieve the same level of success. In the movie *The Social Network*, Sean Parker's character sums it up: "A million dollars isn't cool. You know what's cool? A billion dollars." Some entrepreneurs drop out of college, or never go to college in the first place, and others use college and their first jobs to gain the skills, experience, income and connections necessary to start a business.

Many have worked for small companies for numbers of years and have built their dream steps to become an entrepreneur. They have followed their leader and have learnt the expertise. There are many such examples of entrepreneurial histories of people who have built the foundation of their future in the jobs they were working, learnt from the mistakes and have identified themselves as intrapreneurs first and an entrepreneur later.

An intrapreneur is an employee who acts as an entrepreneur within a corporation. It is a concept that surfaced in 1943, when Lockheed Martin created Skunk Works, a group within the company that works on special projects and is given a high degree of flexibility. As a result of its relative autonomy, the Skunk Works team developed a number of Lockheed Martin's most revolutionary products.

Today, intrapreneurship is a major force in driving innovation across the world. Thirty percent of large companies now provide seed funds to finance intrapreneurial efforts, according to management consultant Gifford Pinchot. Companies such as Google (Nasdaq: GOOG) and DreamWorks (Nasdaq: DWA) are leading the way when it comes to intrapreneurship programs. Google lets employees spend 20 percent of their time working on projects outside of their job description, which has resulted in products like Gmail and Google News. DreamWorks has classes where employees learn how to pitch their ideas and then puts executives right in front of them.

Intrapreneurship can be a bridge to becoming a full-on entrepreneur later on. By using your employers' resources, you're gaining the skills, understanding the process, and getting the confidence you'll need to run a business without your company's help in the future. The problem I'm seeing is that a lot of employees don't take advantage of their company's intrapreneurship programs and don't believe it's even possible to be an intrapreneur. In a new study in partnership with American Express (NYSE:AXP), it is found that 58 percent of managers reported being "very willing" or "extremely willing" to support employees who want to capitalize on a new business opportunity within their company. Companies get the most from their people when they go above and beyond their job description and do something that will push business forward.

Entrepreneurial process

Entrepreneurship is a process, a journey, not the destination; a means, not an end. All the successful entrepreneurs like Bill Gates (Microsoft), Warren Buffet (Hathaway), Gordon

Moore (Intel) Steve Jobs (Apple Computers), Jack Welch (GE) GD Birla, Jamshedji Tata and others all went through this process. To establish and run an enterprise it is divided into three parts – the entrepreneurial job, the promotion, and

the operation. Entrepreneurial job is restricted to two steps, i.e., generation of an idea and preparation of feasibility report. In this article, we shall restrict ourselves to only these two aspects of entrepreneurial process.

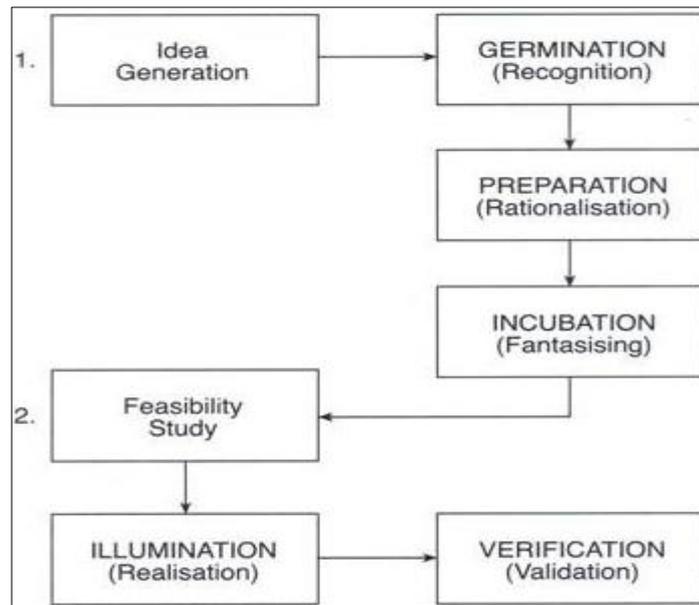


Fig 1: The Entrepreneurial Process

1. Idea Generation

To generate an idea, the entrepreneurial process has to pass through three stages:

a. Germination

This is like seeding process, not like planting seed. It is more like the natural seeding. Most creative ideas can be linked to an individual’s interest or curiosity about a specific problem or area of study.

b. Preparation

Once the seed of interest curiosity has taken the shape of a focused idea, creative people start a search for answers to the problems. Inventors will go on for setting up laboratories; designers will think of engineering new product ideas and marketers will study consumer buying habits.

c. Incubation

This is a stage where the entrepreneurial process enters the subconscious intellectualization. The sub-conscious mind joins the unrelated ideas so as to find a resolution.

2. Feasibility study

Feasibility study is done to see if the idea can be commercially viable.

It passes through two steps:

a. Illumination

After the generation of idea, this is the stage when the idea is thought of as a realistic creation. The stage of idea blossoming is critical because ideas by themselves have no meaning.

b. Verification

This is the last thing to verify the idea as realistic and useful for application. Verification is concerned about practicality

to implement an idea and explore its usefulness to the society and the entrepreneur.

Corporate intrapreneurship helping the entrepreneurs

Entrepreneurship communities are booming across the world. From 15 to 50, people in all age groups are generating the brightest ideas and are not afraid in the slightest to launch their own ventures. No wonder, then, that globally, more than 100 million startups are launched every year (three startups every second!).

While the roots of entrepreneurship will continue to go deeper, the concept of ‘intrapreneurship’ has been catching up with not only startups but large organisations across the world as well.

For the uninitiated, intrapreneurship is all about promoting entrepreneurship within the organisation. An intrapreneur is an employee of the company who has the freedom to think and test his own new ideas to add value to a certain process or business unit of the organisation, or maybe design an altogether new product. Intrapreneurs are not the founders of the organisation or working on a personal venture, but they possess all the necessary attributes and mindset of an entrepreneur to lead the company to greater heights.

The term ‘intrapreneurship’ perhaps gained the most popularity during the era of Steve Jobs when he created the Macintosh team. There are several other intrapreneurs who have made distinct identities for themselves in the last few years, for instance, Krishna Bharat, the man behind Google News. The American multinational technological company Google cultivates intrapreneurship by offering its workforce a 20 percent timeframe for developing personal projects related to its business.

Then there is S Sivakumar from the Indian conglomerate ITC who set the foundation of e-Choupal, a disruptive farmer empowerment initiative which now benefits more than four million farmers through customised agri-extension and market linkage services. ITC too fosters the culture of

employee ownership and gives them autonomy to run the show.

Intrapreneurship is the biggest opportunity for entrepreneurs, and can be instrumental in bringing big rewards. Corporate intrapreneurship can prove beneficial to entrepreneurs in many ways:

Intrapreneurs value accountability

This set of people has P&L responsibility for the development of a product or business unit, so they very well understand each and every little perspective required for the initiation of a startup venture. Apart from the design, they will also focus on reducing costs and churn rate, and increasing profitability. It becomes their KPI. Since startups usually work with limited resources, intrapreneurs can ensure that every resource is effectively utilised.

Intrapreneurs are innovative

Disrupt or die — in today's fiercely competitive milieu, only startups that innovate will survive. However, innovation requires allowing employees to wear their thinking hats. Intrapreneurs possess an innovative streak and a creative thought process to convert the seed of an idea into a full-fledged plan, and even execute it suitably. They are the drivers of innovation and adopt a unique problem-solving approach. They think and act differently, creating a pool of ideas.

The popular Las Vegas-based e-tailer Zappos firmly believes in one of its many core values – 'be adventurous, creative, and open-minded'. It has a separate research and development wing called Zappos Labs, where its employees have free rein to test new ways of improving the online shopping experience for its customers. Its staff spends a great deal of time observing consumer behaviour and shopping habits at brick-and-mortar stores. The experiments pay off, which is clearly visible in its distinct and successful customer experience initiatives such as Glance, Pin Pointing, and Tweet Wall.

Intrapreneurs are leaders

One of the top reasons for the failure of startups is not having the right team on board. Building a business takes team effort, but if all members are not on the same tangent and don't share a common goal, it is a recipe for disaster. As startups climb the growth curve, team building becomes crucial. Team dynamics may become volatile, creative and ideological differences may arise, and competitive pressure may make them vulnerable. The founder/owner is busy growing the business; he may not have sufficient time to work on these components. Intrapreneurs can easily slip into this role.

Intrapreneurs have the confidence and attitude to lead. They know what the top management expects, but at the same time, being one of the employees, they share a good rapport with their peers. Their team experience coupled with the ability to rise to the occasion can build a strong team in the organisation.

Intrapreneurs are business-savvy

Like entrepreneurs, intrapreneurs are passionate about their ideas. Every time they have a unique idea to discuss, they put in their heart and soul to present their business case to the management. Over a period of time, they build their pitching capabilities. They come to understand the

importance of a strong business pitch, and when the situation arises, they can represent their startup to the stakeholders with the same passion and self-belief with which the founder would.

Intrapreneurs are an army within the organisation that can perceive the business environment from an entrepreneur's eyes. However, it is up to startups to develop a breeding ground for intrapreneurship. A Deloitte white paper presents five insights into understanding the concept behind intrapreneurship and integrating it in the DNA of organisational culture:

- Intrapreneurship describes a people-centric, bottom-up approach to developing radical innovations in-house.
- Intrapreneurship pays off many times over in terms of company growth, culture, and talent.
- It's not about creating intrapreneurs, it's about finding and recognising them.
- Intrapreneurs know the rules and break them effectively.
- Intrapreneurship requires a different management approach.

Intrapreneurs thrive on supportive autonomy. They grow with the entrepreneurs, the entrepreneurs help them grow, and together, they both grow. It is a symbiotic relationship that exists within the framework of organisations.

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