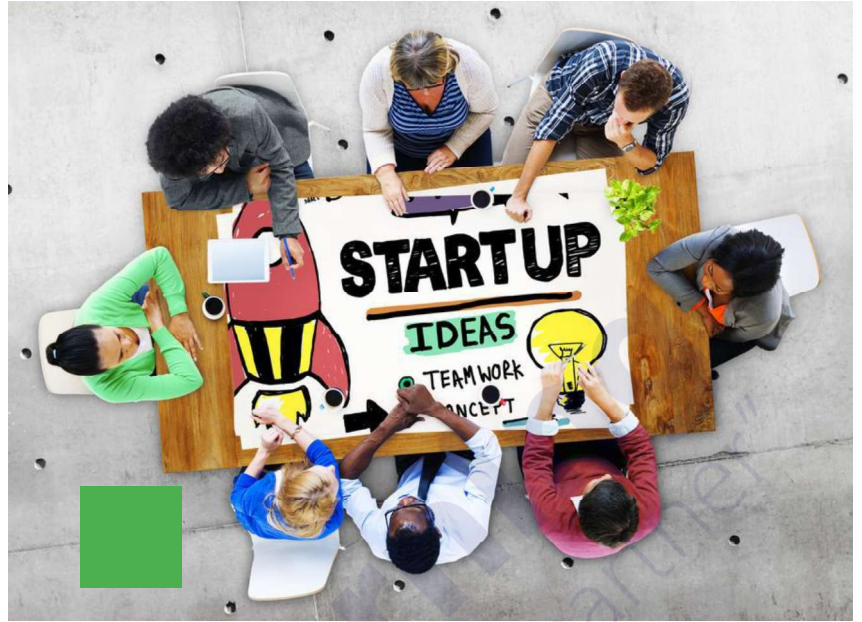


Contribution of Entrepreneurship

AAT Level I
BEN - Business Environment

Contribution of Entrepreneurship



Entrepreneurship

Entrepreneurship involves a broad process of **accepting risks**, **innovating**, **adding value to the National Product**, **chasing opportunities** and **turning them into business opportunities**, and **satisfying human needs** as well as the needs of the country.



Definitions of Entrepreneurship

- “Entrepreneurship” is the intermediary between capital and labor - *Oxford Dictionary*
- “Entrepreneurship” is the **process of changing the existing system by introducing new products and services, creating new organizational systems or using new ingredients** - *Joseph Shumpeter*
- **Facing uncertainty** is “Entrepreneurship” - *Richard Cantillon (1697-1734)*
- “Entrepreneurship” is the **process of designing, launching and running a new business** - *International Labor Organization*



An entrepreneur who **creates an opportunity** and takes advantage of it. The entrepreneurial process includes all the functions and functions involved in creating organizations to take advantage of opportunities - *William D. Bygrave*

Entrepreneur

“Entrepreneur is an individual who involves innovation, manages the risk, mobilizes resources and manages the resources to achieve a certain return. Otherwise, the **entrepreneur is the individual who involves entrepreneurship.**



Definitions of “Entrepreneur”

- An entrepreneur is a person **who changes the existing economy system by introducing new products and services**, creating new organizational systems, or using new ingredients - *Joseph Shumpeter*
- Entrepreneurship is the **creation of new organizations** - *Vesper, 1980*
- Entrepreneurship is defined as **self-employment of any sort**. - *Richard Cantillon (1697- 1734)*
- The person who is the **main owner and manager of a business** is not employed elsewhere - *Brockhouse*
- An entrepreneur is a **person who understands change in the market as an opportunity for business**. His **tool is innovation** - *Peter Drucker (1909—2005)*



Thus entrepreneurs

- They are **awesome sellers**
- Those who **fulfill their goals**
- **Change agents**
- **Risk managers**
- They **come up with new ideas and opportunities**
- They are engaged in **constant environmental analysis**
- They **love to go their way**
- People who can **lead a changing world**
- They think of something **extraordinary that suits need and want**

Characteristics of an Entrepreneur

Vision

The entrepreneur must have a long-term and accurate understanding of what it is and what it will become in the future, and the vision will help achieve its goals.



Creativity

It means the ability to think in a new way, to do something new. The entrepreneur is always motivated to take on challenges without being conservative and to create a new product, new service or even a new idea



Characteristics of an Entrepreneur

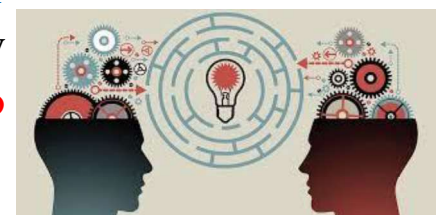
Self-confidence

The entrepreneur has strong confidence in himself and works directly towards achieving his goals. Even if there are failures or setbacks, it does not mean worry.



Perceptive

Realizing that seeing something happen is far-sighted or foreseeing changes in the business environment. Any challenge can be prepared in advance. This helps to minimize potential losses and increase profits.



Characteristics of an Entrepreneur

Able to Identify New Business Opportunities

This means that the entrepreneur has the **ability to choose the best option among new business opportunities**, no matter **how economical the business environment may be**.



Able to Manage Risk

The entrepreneur **always considers risk a challenge and accepts it and measures it systematically**. Risk is accepted only if the **failure rate is less than the success rate**.

That is, the risk is well managed.



Characteristics of an Entrepreneur

Motivated

Enthusiasm or motivation is one of the **most important qualities** an entrepreneur should **have in a long-term commitment to success**.

Factors affecting motivation

- **Feeling** that you are the **head of the business**
- Personal **satisfaction**
- **Diversity** of **individual freedom**
- Willingness to **face new challenges**
- Being able to **make the best use of your skills**



Characteristics of an Entrepreneur

Creativity and Innovation

➤ Presenting a new idea means creativity

Innovation includes the following:

- Inventing a new product or service
- Introducing a new production method
- Entering a New Market
- Introducing a new business organization
- Making a difference in the quality of an existing product
- Change the shape of a product
- Adding new features to a product
- Introducing new designs
- Introducing a new package
- Introducing a new brand
- Change the size of goods



Characteristics of an Entrepreneur

Decisiveness / Fast Decision

This means that ability to make the right decisions quickly, without spending too much time making a decision.



Commitment - Commitment / Dedication / Hardworking

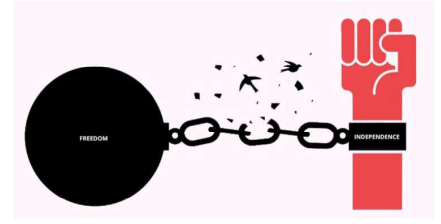
This means the ability to work hard until their goals are met. It always makes the entrepreneur, a labor-loving and respectful person. Dedication gives the entrepreneur the ability to endure whatever is good and bad.



Characteristics of an Entrepreneur

Independence

The entrepreneur is **not dependent on the opinions of others**. But he **respects the opinions of others and accepts their right to have them**. The entrepreneur determines and controls his or her way and destination.



Perceptive

The foresight is the **ability to know in advance what is happening before it happens**. This **helps the entrepreneur to prepare for any challenge**. It can **minimize the damage and loss**. It can also **transform future trends into successful business opportunities**.



Characteristics of an Entrepreneur

Achievement Oriented - Achievement

This means that the **entrepreneur has a strong desire to fulfill his ambitions**. When one wishes to be fulfilled, the entrepreneur goes further. When **one goal is achieved, the next goal is set**.



Optimistic

Looks **positively at something, excludes negative attitudes**. The optimistic man **never tries to see the dark shadows of the future**.



Characteristics of an Entrepreneur

Flexibility

This means having the **ability to adapt to the ever-changing business environment**. The entrepreneur **first becomes proactive rather than waiting for changes** in the environment.

In addition to the above qualities have the following qualities.

- Startup ability
- Organization of resources
- Bearing ability
- Consistency
- Environmentally friendly
- Leadership
- Self-awareness
- Resilience
- Social Friendly



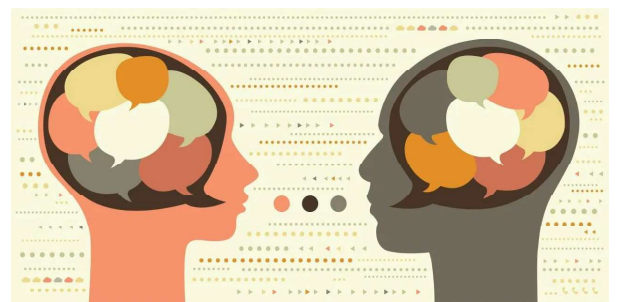
Entrepreneurship Skills

Leadership skills

The **leader of an entrepreneur's business is himself**. This skill reflects the motivation and motivation of follower to work diligently and courageously to get their work accomplished

Interpersonal skills

An entrepreneur's ability to maintain a **good working relationship with insiders and outsiders** is a key to success or the ability to **work with all stakeholders to focus on their work**.



Entrepreneurship Skills

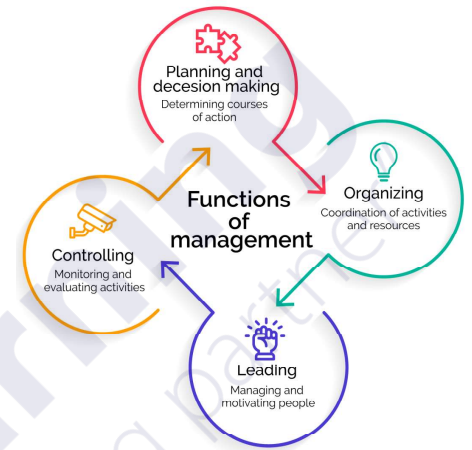
Communication Skills

Ability to use information that can serve a purpose or to achieve own objectives by giving information available, in a manner that makes others aware of it.



Basic Management Skills

Completing skills in basic management functions such as **planning, organizing, directing and controlling**.



The Role of an Entrepreneur

1. Identify business opportunities and **utilize them**
2. **Production of new goods and modernization of goods and services in a proper manner** with the production factors of labor, land and capital.
3. **Making changes** or innovations in products
4. **Determine the various alternatives** that can be used to produce and determining the amount of work to be done.



Entrepreneur and Manager

- The entrepreneur drives the business, creates the innovation and rises and makes profits.
- The entrepreneur makes decisions related to the existence of the business and is involved in organizational and governance activities. in this way, the entrepreneur plays the management role in addition to the innovation.
- There fore, every entrepreneur is a manager.
- However, every manager is not innovating and running the risk. The manager works for a salary and not every manager can be considered an entrepreneur



Entrepreneur and Manager

Entrepreneur	Manager
The key to starting a business	Runs the startup business
The risk-bearing entrepreneur experiences profits or losses	The manager exercises his / her ability to carry out the business well
Entrepreneur is the owner of the business	The manager is an employee of the business
The entrepreneur is responsible for the society and the government	The manager is responsible for the business owner's actions
Power creates itself	The position is vested with authority
Business opportunities are identified	Identifies business problems
It focuses on social benefits and social responsibility	Focuses on the benefits of the business



Entrepreneur and Business Person

The difference between the entrepreneur and the businessperson is that the **entrepreneur is essentially a businessperson**, but the **businessperson is not necessarily an entrepreneur**.

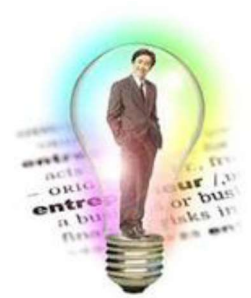
Difference between entrepreneur and businessperson, who is a non-entrepreneur.

Entrepreneur	non-entrepreneur business person
Start a business with own concepts and new ideas	The business starts with an existing idea or concept
The business rival is himself	Other businesses are business rivals
Focuses on new business opportunities	Always doing own business
Innovator	Think traditionally
Taking risks	Works with safety
When problems occur, working hardly for overcome them	Problems are avoided and overstated
Looks for new business opportunities	Uses opportunities seen by another



The Importance of Entrepreneurship

- New things must be created to stay in the business world
- The need for **diversified businesses to utilize existing resources efficiently**
- The need to **transform business with the adoption of new technology** in the face of globalization in a changing world
- The need to **successfully run a business in a rapidly changing business environment**
- The need to **create new jobs through new businesses**
- Need to **improve quality of life, increase personal income and meet the opportunity of consuming quality goods**
- The need to produce more goods and services to **accelerate economic growth**
- The need for economic development and **sustainable development**



The Relationship Between Entrepreneurship and Business

- **Entrepreneurship** is the **whole process of innovating and managing risk to create and satisfy human needs**. It seems that **entrepreneurship has created business**.
- **Production, distribution and all related activities can be defined as businesses** in order to satisfy the needs that arise to meet human needs.
- Entrepreneurship plays a **key role in identifying business opportunities, risk management and innovation planning** to achieve the satisfaction of human needs.
- To start a business, entrepreneurs must identify **opportunities and create innovation through creativity**.
- **Businesses often present those innovations**.
- But **entrepreneurship creates businesses**.



Individual Benefits of Entrepreneurship

- Provide opportunities to **make the best use of individual skills**
- **Make a higher commitment** and lead to **higher returns**
- A person's **social acceptance / social status and reputation**
- To have a **high standard of living**
- Personal **financial capability and benefits**
- Increased **emotional satisfaction**
- Opportunity to **demonstrate new creativity**
- Opportunities to **implement their ideas**
- Provide **opportunity for initiatives**
- Ability to **make free decisions**.
- Being able to **create an environment where people can live freely** and comfortably because of their independence



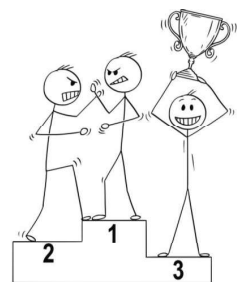
Corporate Benefits of Entrepreneurship

- Expansion of business
- To be able to expand the market share
- To be able to expand the business continuously
- Ensuring the existence of the business
- Potential to increase profitability
- Become the best in the industry
- Become a Satisfactory organization that able to fulfill its social obligations
- Being able to be recognized by the government
- To be a safe institution in society



Social and Economic Benefits of Entrepreneurship

- Generate new employment opportunities
- Provide opportunities for the consumption of new revenue and services
- Provide opportunities for the consumption of new goods and services
- Using local resources for production
- Development of new markets
- Increase the standard of living of the people
- Increasing economic growth
- Increasing the national product
- Leading to Sustainable Economic Development
- Improving the quality of products
- Creating fair competition
- Reduce poverty



Entrepreneurship and Economic Development

- Economic development cannot be achieved without entrepreneurship, no matter how much physical and human resources a country has.
- Entrepreneurship is the decisive factor in the economic development of a country.

Ex:- If considered economic development as a machine, entrepreneurship is the essential fuel to operate that machine

- Therefore, when entrepreneurship and economic development go together



Economic Development

- Improve competitiveness and improve efficiency in order to reduce commodity prices so as to eliminate monopoly in the market economy.
- Expand the market through the creation of new products.
- To be able to direct the unused resources of the country to the productive sector.
- Create labor-intensive manufacturing opportunities.
- Provide a successful solution to the employment problem.
- Promote business ventures with low capital requirements.
- Establish manufacturing sectors where local technology can be used.
- Creating and setting the stage for large scale production.
- To make Sri Lanka the proud nation of the world through innovation.
- Protection of traditional production techniques.
- Improving the quality of life of persons.

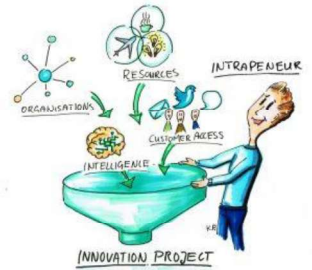
Trends in Entrepreneurship.

Intra - Entrepreneurship

- Intra-entrepreneurship is the **creativity that employees in business organizations generate through creativity**
- Entrepreneurship **emerges from within the enterprise**, as creative people who hold key positions in an existing business organization often **use their creative talents to develop the products and products of the business**

following activities can be done for the intra- entrepreneurship of an organization.

- **Restructuring organization, creating small teams with new ideas within the organization and creating innovations through their ideas.**
- **Get creative ideas by encouraging employees.** This includes evaluating new creations, **awarding prizes and granting promotions.**



Trends in Entrepreneurship.

Social Entrepreneurship

- Innovation is meant to **serve the society**. These **entrepreneurial trends are emerging in the areas of social values, values, environmental protection, health care, philanthropy, and disaster**. Social entrepreneur can bring about personal satisfaction, acceptance, praise, etc.
- Nobel laureate **Professor Mohamed Yunus** is one of the social entrepreneurs the world. He succeeded in establishing the Grameen Bank in Bangladesh **with the objective of providing credit to the poor without mutual trust and security.**



Trends in Entrepreneurship.

Green Entrepreneurship

- Green Entrepreneurship is an **entrepreneurship activity focused on raising awareness on environmental issues and social issues** or **needs and creating a positive impact on the natural environment.**
- **Saving the environment is the core concept** of green entrepreneurship.
- They **spend their time developing products that are not harmful to the environment**



Trends in Entrepreneurship.

Global Entrepreneurship

- This means trading **their products to the world**: These entrepreneurial champions **aim to identify and meet the needs of the people of various countries around the world.**
- Global entrepreneurship reflects the ability of businesses to **transform their products across the globe, using technology tools, cross-border boundaries** and realizing that their product needs to change
- This entrepreneurship enables people in different countries to



Trends in Entrepreneurship.

Women Entrepreneurship

Women Entrepreneurship refers to **business or organization started by a woman or group of women.**

Factors have contributed to the rise of woman entrepreneurship in Sri Lanka

- Improving the education level in woman
- Increasing representation of woman in the workforce
- Change in social attitude
- The need to increase the family income



Challenges facing women entrepreneurship

1. More **time should be devoted to home activities**
2. **Hostile attitudes** in certain communities
3. **Less acceptance** of women in facilitation agencies
4. The pressure exerted by the **rules in some countries**
5. **Inadequate government incentives**





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