

Entrepreneurship Development

Unit – 1

Entrepreneurship

- Entrepreneurship is a process of being and Entrepreneur.
- Entrepreneurs are people who have characteristics like bearing risk, innovator, creative, problem solver, self-independent, motivated, positive, etc.
- According to the Oxford dictionary, Entrepreneurship is a process of organizing and managing enterprises involving high risk.
- Entrepreneurship involves identifying opportunities, managing resources, taking calculated risk, and innovating to increase value.

Role of an Entrepreneurship in economic development / Importance of an Entrepreneurship

- ➔ Job Creation
- ➔ Increase in per capita income
- ➔ Improve standard of living
- ➔ Innovation and Technological Advancement
- ➔ Regional Development

Traits / Quality of an Entrepreneur

- 1) Innovative
- 2) Self-confident
- 3) Creative
- 4) Positive mind set
- 5) Growth mindset
- 6) Adaptability
- 7) Knowledge of market
- 8) Risk bearing
- 9) Clear vision
- 10) Leadership
- 11) Communication and networking

Entrepreneur vs Manager

Basis	Entrepreneur	Manager
1) Motive	Motive of entrepreneur is to create a business and solve real world market problem.	The motive of manager is to provide his services to the already stablish enterprise.
2) Status	They are the owner of the enterprise.	They are the employee of the enterprise.

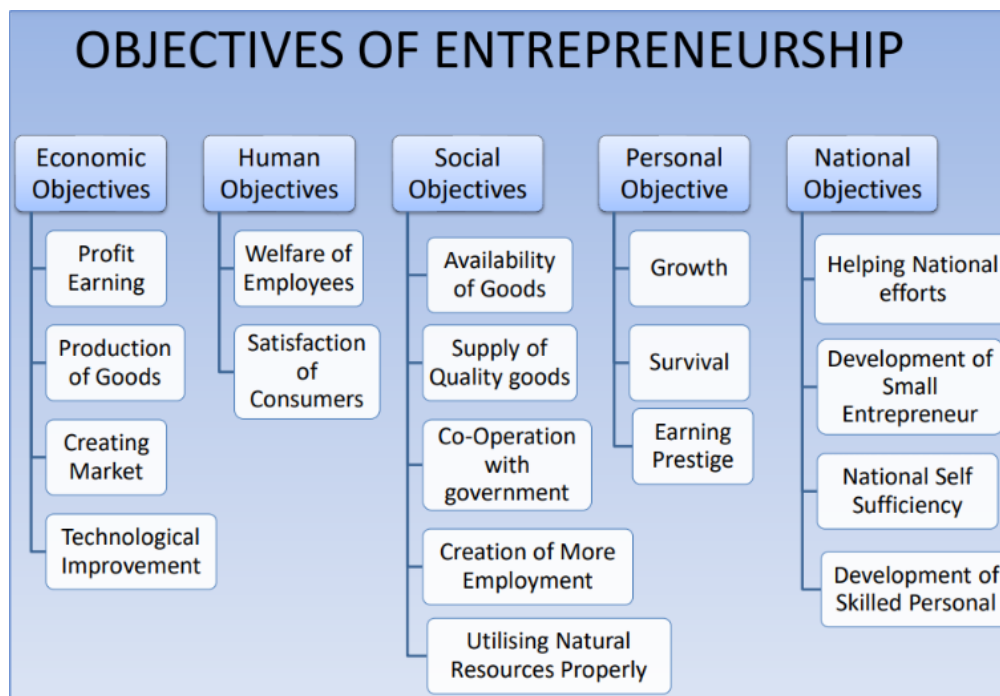
3) Risk bearing	As they are the owner of the enterprise, so they bear high risk for growing their businesses.	As they are the employee of the enterprise, so they don't have to bear risk.
4) Objective	Entrepreneur objective is to grow their business and solve the market problem.	Manager objective is to manage the various activity within the enterprise such as assigning duties to the other employees.
5) Reward	Entrepreneurs get profit in reward which is not fix.	Managers get fixed salary in return of their service.

Feature of an Entrepreneurship

- 1) Innovation
- 2) Risk bearing
- 3) Decision making
- 4) Leadership
- 5) Organization management
- 6) Optimum utilization of resources
- 7) Goal Oriented

Technique to remember - IG LOORD

Objectives of an Entrepreneur



Technique to remember: N P SHE (NPC)

Advantage of Entrepreneurship

- ➔ Job Creation
- ➔ Optimum Utilization of resources
- ➔ Improve living of standard
- ➔ Increase in Per capita income
- ➔ Good Quality of product
- ➔ Economic Development

Disadvantages of Entrepreneurship

- Lake of vision
- Shortage of resources
- Shortage of Capital
- Lake of creativity
- Lake of Technological knowledge
- Lake of market knowledge

Entrepreneur vs Intrapreneur

Basis	Entrepreneur	Intrapreneur
1) Definition	Entrepreneurs are people who creates their own businesses.	Intrapreneur are the person who do not create their own business but work as an entrepreneur where they work.
2) Resources	They must arrange their own resources	They use company resources.
3) Risk bearing	They must bear all the risk.	They don't have to bear risk as company bears the risk.
4) Services	They provide services to their customers	They provide services to their compony.
5) Deadline	No specific time limit to complete a task.	Here Deadlines are given by the company.

Classification of an Entrepreneur

- 1) **According to the businesses:**
 - a. Business entrepreneur
 - b. Industrial entrepreneur
 - c. Agriculture Entrepreneur
 - d. Trading Entrepreneur
- 2) **According to the Technology**
 - a. Technical Entrepreneur
 - b. No-Technical Entrepreneur
 - c. Professional Entrepreneur
- 3) **Other types of entrepreneurs**
 - a. Innovative entrepreneur
 - b. Adoptive entrepreneur
 - c. Lifestyle Entrepreneur

Factors affecting entrepreneurship

- ➔ **Individual Characteristics and Traits**
 - Creativity and innovation

- Risk tolerance
- Passion and motivation
- Adoptability
- ➔ **Access to resources**
 - Financial capital
 - Human capital
 - Physical infrastructure
- ➔ **Market Condition**
 - Market Demand
 - Industry trends
 - Competitive landscape
- ➔ **Government Policies and regulation**
 - Business Environment
 - Regulatory bodies
 - New polices
- ➔ **Technological Advancement**
 - Digital technology
 - Technical knowledge
 - Emerging technology

Agencies in entrepreneurship development in India

- 1) **Small Industries Services Institute (SISO):** It is an organization under the Ministry of Micro, Small, and Medium Enterprise (MSME) in India. It primarily focuses on providing support and services to small-scale industries.
 - a. Technical support
 - b. Training and Skill Development
 - c. Market Research and Development
- 2) **Small Industries Development Organization (SIDO):** It is a government body that helps formulate policies and programs for the development of small-scale industries in India.
 - a. Policy Formulation
 - b. Implementation of industries
 - c. Promotion to industries
- 3) **Small Industries Development Bank of India (SIDBI):** It is a financial institution that helps macro, small, and medium enterprises (MSME) grow and develop. It helps with the financial issues of the enterprises.
 - a. Financing
 - b. Development
- 4) **Small Industries Development Corporation (SIDC):** These are the government owned corporations that promote and develop medium and large business. SIDC works with private enterprises to establish industrial ventures.

- a. Financing
 - b. Promotion
 - c. Capacity building
- 5) National Small Industries Corporation (NSIC):** It is a government owned enterprise in India that primarily focuses on promoting and supporting small-scale industries and MSMEs.
- a. Facilitator (facilitates services and assistance)
 - b. Enabler (enable to get finance, technology, and other resources)
 - c. Promoters

Unit – 2

Entrepreneurial Creativity and Innovation

Basis	Creativity	Innovation
Definition	Creativity is the process of creating new ideas and solutions to the problem.	Innovation is the process of implementing ideas into reality.
Tangible	Creativity is both tangible and intangible	Innovation is the process of mostly tangible
Focus	Idea generation and conceptual thinking	Application and execution of creative ideas.
Nature	Abstract and Imagination	Practical and result oriented
Outcomes	New concepts, design of thoughts	New product, services, process, or business model

Necessity of Creativity in development of Entrepreneur

- 1) Increase Productivity
- 2) Solution to the problem
- 3) Optimum utilization employment productivity
- 4) Optimum utilization of resources
- 5) High overall success
- 6) Foster Innovation

How to be more Creative

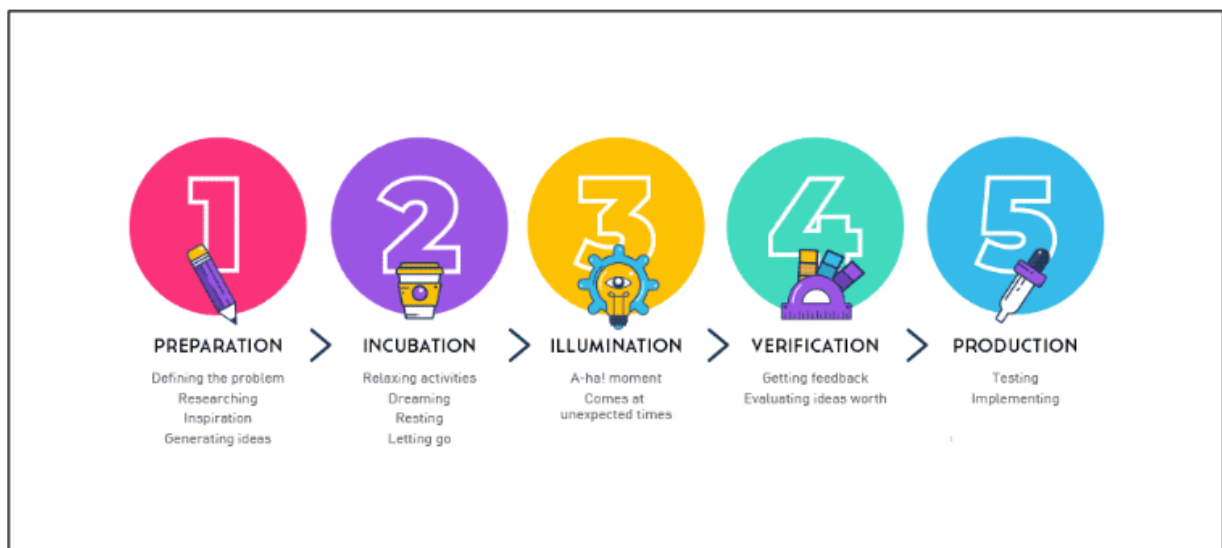
- ➔ Have a growth mindset
- ➔ Be positive in any circumstances
- ➔ Be open to new ideas
- ➔ Practice creative thinking
- ➔ Think outside the box
- ➔ Be with the creative peoples
- ➔ Be willing to experiment

Benefits of Creativity in Innovation

- It increases productivity
- It's necessary for growth
- At accompanies Innovation
- It allows adoptability to new changes
- It's an in-Demand skill

Steps in Creativity

- 1) **Preparation Stage:** It is the first step in creativity which includes
 - a. Gather Knowledge
 - b. Identify goals and constraints
- 2) **Incubation Stage:** When you finish actively thinking about your idea, the second stage is where you let it go. It consists of
 - a. Relax and step back
 - b. Seek inspiration from others
- 3) **Illumination Stage:** Sometimes it is called as insight stage, illumination is when the 'aha' moment happens. The light bulb clicks in your brain and then you gather all the resources and present the solution to the problem. It includes
 - a. Eureka moment ('aha' moment)
 - b. Brainstorming
- 4) **Evaluation Stage:** During this stage, you consider the validity of your idea and weight against alternatives. It includes
 - a. Critical Thinking
 - b. Prototype and test
- 5) **Verification Stage:** This is the final stage of the creativity process. It's when the hard work happens. It is a stage where we verify the idea and implement the idea to solve the problem.



Innovation

- Innovation is the process of implementing ideas in reality
- Innovation refers to the process of creating and implementing new or improved products, services, processes, or business model that provide value to the customer or stakeholders.
- Innovation is an act of introducing or improving something.
- Innovation makes the enterprise compatible with the marked trends.

Importance of Innovation

- 1) **Differentiation:** Innovation can help businesses to differentiate themselves from their competitors by offering unique and original solutions.
- 2) **Customer satisfaction:** Innovation helps in meet the changes needs and requirements of their customers. Customer satisfaction is prime concern.
- 3) **Increased Efficiency:** Innovation often improves processes and systems in the business.
- 4) **Growth and Profitability:** Innovation often involves increasing growth and increase profits.
- 5) **Advantage over new Technology:** By innovation we can take advantage over new technologies.

Problem solving vs Decision making

Basis	Decision Making	Problem solving
1) Definition	The process of course of action among alternatives	The process of identifying, solutions to specific issues.
2) Objectives	To choose the best possible option	To find a solution to a specific problem
3) Focus	Selecting among the alternatives	Understanding and resolving issue.
4) Outcome	A decision or choice	A solution or resolution
5) Scope	Boarder and more strategic.	More specific and tectical

Identification of Opportunities for problem solving with innovation

- 1) Identification of problem or challenges
- 2) Research and analyze problem
- 3) Brainstorm ideas
- 4) Evaluate and refine idea
- 5) Develop and implement idea
- 6) Monitor and evaluate idea

Steps in Decision Making

- 1) Identify the problem
- 2) Gather Information
- 3) Analyze the Information
- 4) Generate Alternatives
- 5) Evaluate Alternatives
- 6) Select the best Alternatives
- 7) Implement the decision
- 8) Monitor and follow up the decision

Unit – 3