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ENTREPRENEURSHIP DEVELOPMENT

CHARACTERISTICS OF ENTREPRENEURSHIP

In the SVO formulation of the concepts of entrepreneur, entrepreneurship and enterprise, we saw that entrepreneur-ship is about the process of setting up a business. One cannot help but marvel at the beauty of the process: how does one first of all decide to choose own business as a career; how does one sense a market opportunity; how does one muster up courage to embark upon it, and mobilise the requisite resources, etc.; so much so that recourse to entrepreneurship, in common parlance, is considered as an exclusive preserve of a few gifted individuals. In the following paragraphs, our effort would be to establish entrepreneurship as a career that you should aspire for. Remember, resources may be limited, aspiration need not be. So, you can aspire for something greater, bigger than your present status and resources. And start today. Remember, aspiration means desire multiplied by action.

1. Systematic Activity: Entrepreneurship is not a mysterious gift or charm and something that happens by chance! It is a systematic, step-by- step and purposeful activity. It has certain temperamental, skill and other knowledge and competency requirements that can be acquired, learnt and developed, both by formal educational and vocational training as well as by observation and work experience. Such an understanding of the process of entrepreneurship is crucial for dispelling the myth that entrepreneurs are born rather than made.

2. Lawful and Purposeful Activity: The object of entrepreneurship is lawful business. It is important to take note of this as one may try to legitimise unlawful actions as entrepreneurship on the grounds that just as entrepreneurship entails risk, so does illicit businesses. Purpose of entrepreneurship is creation of value for personal profit and social gain.

3. Innovation: From the point of view of the firm, innovation may be cost saving or revenue-enhancing. If it does both it is more than welcome. Even if it does none, it is still welcome as innovation must become a habit! Entrepreneurship is creative in the sense that it involves creation of value. You must appreciate that in the absence of entrepreneurship ‘matter’ does not become a “resource.” By combining the various factors of production, entrepreneurs produce goods and services that meet the needs and wants of the society. Every entrepreneurial act results in income and wealth generation. Even when innovations destroy the existing industries, for example, zerox machines destroyed carbon paper industry, mobile telephony threatens landline/ basic telephony, net gains accruing to the economy lend such

entrepreneurial actions as commendable as the acts of creative destruction. Entrepreneurship is creative also in the sense that it involves innovation- introduction of new products, discovery of new markets and sources of supply of inputs, technological breakthroughs as well as introduction of newer organisational forms for doing things better, cheaper, faster and, in the present context, in a manner that causes the least harm to the ecology/environment. It is possible that entrepreneurs in developing countries may not be pioneering/ innovative in introducing path- breaking, radical innovations. They may be the first or second adopters of technologies developed elsewhere. That does not make their achievement small. For imitating technologies from developed world to the indigenous setting is quite challenging. A lady entrepreneur wanting to introduce thermal pads for industrial heating faced tremendous reluctance from the owners of chemical and sugar mills despite the established superiority of her products over the conventional heating of the vessels by burning of wood/coke or using LPG. Moreover, there is no need to suffer from “it was not invented here” complex– there is no need to reinvent the wheel. The global electronics major, Sony did not invent the transistor! It used the transistor to build entertainment products that are world leaders.

4. Organisation of Production: Production, implying creation of form, place, time personal utility, requires the combined utilisation of diverse factors of production, land, labour, capital and technology. Entrepreneur, in response to a perceived business opportunity mobilises these resources into a productive enterprise or firm. It may be pointed out that the entrepreneur may not be possessing any of these resources; he may just have the ‘idea’ that he promotes among the resource providers. In an economy with a well-developed financial system, he has to convince just the funding institutions and with the capital so arranged he may enter into contracts of supply of equipment, materials, utilities (such as water and electricity) and technology. What lies at the core of organisation of production is the knowledge about availability and location of the resources as well as the optimum way to combine them. An entrepreneur needs negotiation skills to raise these in the best interests of the enterprise. Organisation of production also involves product development and development of the market for the product. Besides, entrepreneur may be required to develop even the sources of supply of requisite inputs. For example, whether it is a matter of putting together an automobile manufacturing unit or manufacture of burger/pizza, besides cultivating a market and developing products to suit its tastes and preferences, there would be a need to develop a pool of suppliers of the diverse components or elements that go into their manufacture.