

## UNIT - 2

### ENTREPRENEUR

a) Meaning and Role of Entrepreneur.

\* Meaning :-

An Entrepreneur is an individual who creates a new business, bearing most of risk and Enjoying most of the reward.

The Entrepreneur is commonly seen as an Innovator a source of new ideas, goods and service.

⇒ Entrepreneurs play a key role in any economic system. They initiate - necessary to Anticipate need and bring new idea to market.

⇒ An Entrepreneur is an individual who Identifies a need in the market place and work to fulfil it.

⇒ The one who organises, manages and Assume the risk of a business.

⇒ A person who makes money by starting or running a business Specialty when it involves taking financial risk.

# 11) Listening :-

classmate

Date

Page

7

⇒ An Entrepreneur is a person who is an 'Innovator' and who introduce new product in the market.

## \* Role of Entrepreneur

A lot of hard work goes into starting and eventually expanding an enterprise. This hard work starts with the ~~entrepreneur~~ Entrepreneur and trickles down the entire organisation. But this is a very broad definition and does not really appreciate and highlight the actual role of entrepreneurs with respect to their enterprises.

So to explain it in a better way, let us break it down into points about how an entrepreneur is vital to the enterprise.

### ⇒ Allocator :-

An Entrepreneur procures and allocates various resources in the organisation. The most important of these resources is manpower. The entrepreneur is responsible for hiring an efficient staff to help him carry out his business. This is important because a good manager can take a business to new heights, while a bad manager can destroy the business.

He is also responsible for creating an organisational structure and departments for a more efficient functioning of the Enterprise.

### ii) INITIATOR :-

The Entrepreneur is the one who initiates the process of creating an enterprise by coming up with the idea for the 'business' and 'planning' out how to turn that idea into a reality.

### iii) RISK TAKER :-

In an Enterprise, the entrepreneur, being the owner, is the biggest risk taker. He is the one who finds the 'capital' to back up his idea and also the person who is accountable in the face of the 'failure' of that particular idea.

### iv) Reduces Risk :-

It is also one of the most important roles of entrepreneurs to reduce the risk of an enterprise failure by bringing in people that can help the organisation grow. These people can be 'shareholders' or 'investors' that have a stake in the

Company and therefore are motivated to help the company 'Succeed'.

### v) Adhering to Legal Norms :-

To Ensure that the enterprise adheres to legal Norms and Policies, such as 'obtaining' a license is also the duty of the Entrepreneur. Not pertaining to these can mean serious legal 'consequences' for the enterprise. These could be in terms of financial losses for the organisation or something even more serious such as shutting down of an enterprise.

### vi) forecasting :-

Last but far from least, the role of entrepreneur involve acting as a forecaster. The Enterprise works in a business environment and is affected by change occurring in various aspects of this environment. It could be internal, such as strikes, machinery breakdowns, budget cuts etc. or these could be external, such as legal policy changes, political or social unrest, technological advancements etc.

An entrepreneur must be able to correctly forecast these changes and prepare the organisation to deal with these changes.

## B) FUNCTIONS of ENTREPRENEUR

⇒ An entrepreneur does perform all the functions necessary right from the genesis of an idea upto the establishment of an enterprise. These can be listed in the following sequential manner.

- i) Idea generation and scanning of the best suitable idea.
- ii) Determination of the business objectives
- iii) Product analysis and market research.
- iv) Completion of promotional formalities.
- v) Raising necessary funds.
- vi) Procuring machines and material
- vii) Recruitment of men.
- ix) Undertaking the business operations.

others are telling and then  
give your reaction.

classmate

Date

Page

11

## c) Entrepreneurial Skill

⇒ There are various skill an entrepreneur should possess.

### i) Leadership and Motivation :-

An -  
Entrepreneur should be leader and motivated he should lead so that the person should follow them and try to deliver your vision.

### ii) Communication Skill :-

An Entrepreneur should have good communication skill. he should be able to communicate well to sell your vision of the future to investors, clients and team member.

### iii) Listening :-

Do, Hear what others are telling and then give your reaction.

### iv) Negotiation :-

The Entrepreneur should have a good negotiate about prices and also need to be able to resolve difference between people in a positive mutually beneficial situation.

v) Ethics :- Build a happy committed team respect.

vi) Goal Setting :- Set goals creates a plan to achieve them and then carry out them play.

E) Difference between a Manager and an Entrepreneur.

⇒ Sometimes, the two terms, namely, an entrepreneur and a manager are considered as synonym, meaning the same. In fact, the two terms are two economic concepts meaning two different meanings. The major points of distinction between the two are presented in following Table.

## Difference between an Entrepreneur and a Manager

Point	Entrepreneur	Manager
1. Motive	The main motive of an entrepreneur is to start a venture by setting up an enterprise. He understands the venture for his personal gratification.	But, the main motive of a manager is to render his services in an enterprise already set up by someone else.
2. Status	An entrepreneur is the owner of the enterprise.	A Manager is the servant in the enterprise owned by the entrepreneur. A manager as a servant
3. Risk-Bearing	An entrepreneur being the owner of the enterprise assumes all risks and uncertainty involved in running the enterprise.	does not bear any risk involved in the enterprise.
4. Rewards	The reward an entrepreneur gets for bearing risks involved in the enterprise is profit which is highly uncertain.	A Manager gets salary as reward for the services rendered by him in the enterprise. Salary of a manager is certain and fixed.
5. Innovation	Entrepreneur himself think over what and how to produce goods to meet the challenge.	But, what a manager does is simply to execute the plans prepared by the entrepreneur. Thus, a manager simply translates the entrepreneur's ideas into practice.



Point	Entrepreneur	Manager
5. Innovation	demand of the customers. Hence, he acts as an innovator also called a change agent.	
6. Qualifications	An entrepreneur needs to possess qualities and qualifications like high achievement motive, originality in thinking, foresight, risk-bearing ability and so on.	on the contrary, a Manager needs to possess distinct qualifications in terms of sound knowledge in management theory and practise.

After going through the above points of distinctions, it is clear that an entrepreneur differs from a manager. At times, an entrepreneur can be a Manager also, but a Manager cannot be an entrepreneur. After all, an entrepreneur is a owner, but a Manager is a servant.

D. Qualities and pre-requisites of a successful Entrepreneur.

⇒ Successful Business People have many traits in common with one another. They are confident and optimistic. They are disciplined self starters. They are open to any new ideas which cross their path. These are ten traits of the successful entrepreneur.

i) DISCIPLINED :— These individuals are focused on making their business work, and eliminate any hindrances or distractions to their goals. They have overarching strategies and outline the practices to accomplish them. Successful entrepreneurs are disciplined enough to take steps every day toward the achievement of their objectives.

ii) Confidence :— The entrepreneur does not ask question about whether they can succeed or whether they are worthy of success. They are confident with the knowledge that they will make their businesses succeed. They exude that confidence in everything they do.

### iii) Open Minded :-

An Entrepreneur Realize that every event and situation is a business opportunity. Ideas are constantly being generated about workflows and efficiency, people skills and potential new businesses. They have the ability to look at everything around them and focus it toward their goals.

### iv) Self Starter :-

An Entrepreneur know that if something needs to be done, they should start it themselves. They set the parameters and make sure that projects follow that path. They are proactive, not waiting for someone to give them permission.

### v) Competitive :-

Many companies are formed because an entrepreneur knows that they can do a job better than another. They need to win at the sports they play and need to win at the businesses that they create. An entrepreneur will highlight their own company's track record of success.

### vii) Creativity :-

One facet of Creativity is being able to make connections between seemingly unrelated events or situations. Entrepreneurs often come up with solutions which are the synthesis of other items. They will repurpose products to market them to new industries.

### viii) Determination :-

An Entrepreneur are not thwarted by their defeats. They look at defeat as an opportunity for success. They are determined to make all of their endeavors succeed, so will try and try again until it does successful. Entrepreneurs do not believe that something cannot be done.

### viii) Strong people skills :-

The entrepreneur has strong communications skills to sell the product and motivate employees. Most successful entrepreneurs know how to motivate their employees so the business grows overall. They are very good at highlighting the benefits of any situation and coaching others to their success.

ix) Strong work ethic :- The successful entrepreneur will often be the first person to arrive at the office and the last one to leave. They will come in on their days off to make sure that an outcome meets their expectations. Their mind is constantly on their work, whether they are in or out of the workplace.

x) Passion :- Passion is the most important trait of us the successful entrepreneur. They genuinely love their work. They are willing to put in those extra hours to make the business succeed because there is a joy their business gives which goes beyond the money. The successful entrepreneur will always be reading and researching ways to make the business better.

The End