After going through this chapter you will be well acquainted with
◆ The meaning of the concept ‘Entrepreneurship’
◆ The concept & significance through different definitions of Entrepreneurship
◆ History of entrepreneurship
◆ The various Characteristics/Qualities of an Entrepreneur
◆ The process of entrepreneurship
◆ Different Social Media Marketing platforms
◆ The meaning of creative & Innovative behaviour
◆ The various dimensions of Entrepreneurship
◆ The concepts such as: Intrapreneurship, Technopreneurship, Cultural entrepreneurship, international entrepreneurship, netpreneurship, Ecopreneurship, and Social Entrepreneurship.
◆ Concept of Idea Entrepreneurship
◆ Concept of Transpreneurship
1.1 UNDERSTANDING AN ENTREPRENEUR

Before the concept of entrepreneurship is explored, it is important to, first, understand the meaning of ‘entrepreneur’ & also know who can be an entrepreneur.

1.1.1 Meaning & Definitions

An entrepreneur is Someone who exercises initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides what, how, and how much of a good or service will be produced. An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities. The entrepreneur is usually a sole proprietor, a partner, or the one who owns the majority of shares in an incorporated venture.

If one desires to be an entrepreneur, the given equation is what describes what an entrepreneur actually is

**Entrepreneur + Capital = Products + Customers = Business.**

**Definitions**

Let us now consider some definitions to understand who an entrepreneur is:

(i) **According to Oxford Dictionary an entrepreneur is** “A person who sets up a business or businesses, taking on financial risks in the hope of profit”

(ii) **According to the International Encyclopaedia, an entrepreneur is** “An individual who bears the risk of operating a business in the face of uncertainty about the future conditions”.

(iii) **Schumpeter’s Definition** - “The entrepreneur, in an advanced economy is an individual who introduces something new in the economy - a method of production not yet tested by experience in the branch of manufacturing, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like”.

(iv) **Adam Smith’s definition** - “The entrepreneur is an individual, who forms an organization for commercial purpose. She/he is proprietary capitalist, a supplier of capital and at the same time a manager who intervenes between the labour and the consumer”. “**Entrepreneur is an employer, master, merchant but explicitly considered as a capitalist**”

(v) **Peter F. Drucker’s Views on Entrepreneur** - “An entrepreneur is the one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or different service”.
(vi) **Richard Cantillon’s definition** - “A person who pays certain price for a product to resell it at an uncertain price thereby making decision about obtaining and using resources while assuming the risk of enterprise”.

(vii) **According to W.B. Gartner in the year 1985** - Entrepreneur is a person who started a new business where there was none before.

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For John Mackey, Co-CEO of Whole Foods, Healthy food has always been his passion. He built his company in a unique way. He wrote a book about it, called “Conscious Capitalism”. He is a great entrepreneur who showed the world a new and better way to do business. He made his passion business and did it with pleasure.

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### 1.1.2 History of the term ‘Entrepreneur’

The term entrepreneur is a French word, and is derived from the French word “enterprendre”. It means “to undertake”. It is commonly used to describe an individual who organizes and operates a business or businesses, taking on financial risk to do so.

Around 1700 A.D. the term was used for architects and contractor of public works. In many countries, the term entrepreneur is often associated with a person who starts his/her own new business.

The term was first defined by the Irish-French economist Richard Cantillon [given above] and the term first appeared in the French Dictionary “Dictionnaire Universel de Commerce” of Jacques des Bruslons published in 1723.

To sum up meaning of an entrepreneur

An entrepreneur is a person who develops a new idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customer needs. **All entrepreneurs are business persons, but all business persons are not entrepreneurs.**

To take an example, a woman who sits by the roadside, selling the same type of food, from the same size of saucepan or pot, from the same table top, and may not have been able to change her standard of living to any appreciable extent is a business person but not an entrepreneur. The entrepreneur on the other hand is the business person who is not satisfied with his/her performance and therefore always finds ways to improve and grow.

### 1.1.3 Characteristics/Qualities of an Entrepreneur

In the 20th century the theorist Arthur H. Cole defined an entrepreneur as an ‘organization builder’. It can be viewed as a quality or a trait of an
Entrepreneurs have many of the same character traits as leaders, similar to the great man theories of leadership. Entrepreneurs are often contrasted with managers and administrators who are said to be more methodical and less prone to risk-taking. Still, a vast number of certain traits seem to be associated with entrepreneurs and are commonly seen in most of them.

The successful Entrepreneurs are those who are able to accomplish the objectives they have set for themselves i.e., they are able to carry out the projects of new ventures and put them on the track of further operation. Entrepreneurs possess several qualities, which according to Napoleon are 90 attributes. Some of those have been given below. If you identify some of, or all of these traits, in your SWOT analysis, consider yourself to be an entrepreneur in making.

However, some characteristics even include negative traits such as - they are cunning, opportunistic, creative, and unsentimental.

(i) **Independent & achiever** - they are rough, tough & pragmatic people who are driven by needs of independence and achievement

(ii) **Optimistic** - They are extreme optimists in their decision-making processes.

(iii) **Keen learners** - They have the ability to prioritise ideas over data, to be nomadic and to learn endlessly.

(iv) **Urge to build** - They are primarily motivated by an overwhelming need for achievement and strong urge to build a business empire.

(v) **Initiative** - An entrepreneur takes actions that go beyond job requirements or the demand of the situation.

(vi) **Opportunity grabber** - An entrepreneur is quick to see and seize opportunities.

(vii) **Persistent** - An entrepreneur is not discouraged by difficulties and once the goal is set, he/she is committed to the goal and will become completely absorbed in it.

(viii) **Information seeker** - An entrepreneur undertakes personal research on how to satisfy customers and solve problems. He/she always wants to learn things which will help the business to grow.

(ix) **Believer in quality and efficiency** - An entrepreneur is always competing with others to do things better, faster, and at less cost he/she strives to achieve excellence.

(x) **Risk taker** - They place themselves in situations involving moderate risk so they are moderate risk takers.
(xi) **Goal setter** - An entrepreneur sets meaningful and challenging and realistic goals for him/herself.

(xii) **Hard working** - An entrepreneur will work long hours, just to be able to keep his/her commitment to his/her client.

(xiii) **Systematic planner** - Since an entrepreneur knows what to expect at anytime he/she is able to change plans and strategies to achieve what he/she aims at.

(xiv) **Persuasive and networker** - An entrepreneur acts to develop and maintain business contacts by establishing good working relationship. Uses deliberate strategies to influence others.

(xv) **Independent and self confident** - Most entrepreneurs start business because they like to be their own boss. They are responsible for their own decisions.

(xvi) **Well versed in managerial skill and strong team builder** - These are often perceived as essential leadership attributes for successful entrepreneurs.

(xvii) **Aggressive catalyst** - The entrepreneur is the aggressive catalyst in bringing change in the world of business.

A business catalyst is an entrepreneur or company that initiates a fundamental change in business or technology.

(xviii) **Dynamic and visionary** - Dynamism and capacity to foresee in future are the necessary attributes of an entrepreneur.

(xix) **Go-getter spirit** - The spirit to go and achieve despite hurdles is a virtue possessed by all entrepreneurs otherwise they will never be able to build that big.

(xx) **Never say die spirit** - Any setbacks do not discourage the entrepreneurs from their path.

(xxii) **High IQ, EQ and SQ levels** - To be successful and to deal with all kinds of situations, the entrepreneur needs to have high intelligence quotient, high emotional quotient and equally high spiritual quotient.

In short an Entrepreneur/Promoter can be compared with a mother and also a midwife as he goes through the pains of creating the idea and finally delivering and executing it, where as an Intrapreneur, almost does the same thing, with an exception that he carries out the innovation within an existing organization.
IQ - stands for intelligence quotient
EQ - stands for emotional quotient
SQ - stands for spiritual quotient
An entrepreneur must possess a combination of all the three, in order to be successful.

1.1.4 Risk bearing of entrepreneur
A business without risks is not business at all. An entrepreneur loves taking risks. He or she gets much thrill in venturing into unknown domains. The **Risk bearing capacity elements are Resources, Independence, Capital base & Risk exposure.** These have been shown in the Figure 1, given below:

![Risk-bearing capacity elements diagram](image)

**FIGURE 1 SHOWING RISK BEARING CAPACITY OF AN ENTREPRENEUR**
An entrepreneur performs a series of functions necessary right from the genesis of an idea up to the establishment and effective operation of an enterprise. He carries out the whole set of activities of the business for its success. He recognises the commercial potential of a product or a service, formulates operating policies for production, product design, marketing and organisational structure. He is thus a nucleus of high growth of the enterprise.

1.1.5 Functions of an entrepreneur
The functions of an entrepreneur are classified into five broad categories, these have been shown in the **figure 2** given below:

(i) Risk-bearing function,