CONCEPT OF ENTREPRENEURSHIP
ENTREPRENEURSHIP

The art of designing, organizing, managing and implementing the idea or a small business company in the market space in order to make profit by taking risks.

This includes having a vision, developing an idea, raising funds, skillful manpower, physical space, advertisement and market research.
Entrepreneur is an individual or a source of new and innovative ideas which brings growth in the economy. An individual who bear losses and profits, is a risk taker and an initiator.

An entrepreneur studies the market and comes up with a unique solution to the problems faced by the customers.
CHARACTERISTICS OF AN ENTREPRENEURSHIP

- Ability to take risk
- Creative mindset
- Vision
- Leadership skills
- Transferable skills
- Confidence
- Market knowledge
ENTREPRENEURIAL STAGES

Idea → Idea development → Preparation
 Verification ← Vision ← Brainstorming
STATE TRUE/FALSE

- An Enterprise is run by a single entity.
- In initial phase the entrepreneur cannot act leniently towards his enterprise.
- An enterprise can be set up overnight.
- The main idea of the enterprise should have a social impact towards the society.
- An enterprise has nothing to do with the economy, it is all about personal benefits.
- For a successful business endeavor it is important have a unique idea driving it.
- Before starting a startup it is important to study market and its trends.
## ENTREPRENEURSHIP V/S MANAGEMENT

<table>
<thead>
<tr>
<th>TRAITS</th>
<th>ENTREPRENEURSHIP</th>
<th>MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTHORITY</td>
<td>Owner of the company</td>
<td>Works as an employee</td>
</tr>
<tr>
<td>DECISION MAKING POWER</td>
<td>Has full decision making power</td>
<td>Works as per the instructions given by the authoritative entity</td>
</tr>
<tr>
<td>LEVEL OF RISKS</td>
<td>Sole risk bearer</td>
<td>Risk of losing job</td>
</tr>
<tr>
<td></td>
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<td>-----------------------------------------------------------------</td>
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</tr>
<tr>
<td>FOCUS</td>
<td>Think of the future and works accordingly</td>
<td>Works in the present</td>
</tr>
<tr>
<td>OBJECTIVE</td>
<td>To make profit</td>
<td>To complete the project in hand</td>
</tr>
<tr>
<td>COMMITMENT</td>
<td>Commitment towards the whole company and its employees</td>
<td>Towards the completion of project in hand</td>
</tr>
<tr>
<td>INCENTIVES</td>
<td>Overall</td>
<td>Salary and festive incentives</td>
</tr>
<tr>
<td>REWARDS</td>
<td>On the basis of value of work</td>
<td>On the basis of performance</td>
</tr>
</tbody>
</table>
ENTREPRENEURIAL MOTIVATING FACTORS

INTERNAL FACTORS

- Family background
- Independence
- Experience
- Power
- Desire
EXTERNAL FACTORS

- Govt. Assistance
- Market Demand
- Available Resources
ROLES OF ENTREPRENEURS IN RELATION TO THE ENTERPRISE

- Initiator
- Foreseer
- Allocator
- Adhering to legal norms
- Risk reducer
- Risk taker
ROLES OF ENTREPRENEURS IN RELATION TO THE ECONOMY
PROCESS OF SETTING UP A BUSINESS

1. Identifying Business Opportunity
2. Idea Creation
3. Research and Analysis
4. Allocation of Resources
5. Setting Up an Enterprise
The Business Model Canvas

<table>
<thead>
<tr>
<th>Key Partners</th>
<th>Key Activities</th>
<th>Value Propositions</th>
<th>Customer Relationships</th>
<th>Customer Segments</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the key partners for the business?</td>
<td>What are the key activities that the business must do well?</td>
<td>What is the unique value proposition of the business?</td>
<td>How do we build and maintain relationships with customers?</td>
<td>What customer segments do we aim to serve?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Resources</th>
<th>Channels</th>
<th>Revenue Streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the key resources needed to deliver the value proposition?</td>
<td>Through which channels do we communicate and interact with customers?</td>
<td>What revenue streams will the business generate?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>What are the cost structures that will enable the business to deliver its value proposition?</td>
</tr>
</tbody>
</table>

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**RITIKA SETHI**