

Entrepreneur

Entrepreneur: Meaning and Role

- An entrepreneur is a person who identifies a business opportunity, takes risks, organizes resources, and starts a business with the aim of earning profit and creating value.



Entrepreneur

Meaning of Entrepreneur

- An entrepreneur is an **innovator and risk-taker**
- **He/she combines:**
 - Land
 - Labor
 - Capital
 - Technology
- Convert ideas into **economic activities**

Key Characteristics of an Entrepreneur

- **Risk Taker:** Willing to take financial and personal risks to start a business
- **Innovative Thinker:** Brings new ideas, products, or ways of doing things
- **Decision Maker:** Takes important decisions regarding business operations
- **Leader:** Guides and motivates employees
- **Opportunity Seeker:** Identifies market gaps and business opportunities

Functions of an Entrepreneur

1. Innovation

- Introducing new products, services, or methods
- Example: Launching eco-friendly packaging

2. Risk Bearing

- Takes financial and business risks
- Faces uncertainty in market conditions

3. Organization of Resources

- Arranges capital, labor, and materials
- Ensure proper utilization of resources

4. Decision Making

- Choosing what, how, and where to produce
- Takes strategic and operational decisions

5. Management

- Plans, organizes, directs, and controls business activities

6. Leadership

- Guides employees and motivates them
- Build a strong team

Role of Entrepreneur in Entrepreneurship Management

- Driving business growth and expansion
- Creates employment opportunities
- Encourages innovation and competition
- Contributes to economic development
- Improves productivity and efficiency

Role of Entrepreneur in Economy

- Creates employment
- Promotes innovation
- Enhances competition
- Supports economic development

Entrepreneurial Motivation – Dynamics of Motivation

- Entrepreneurial motivation refers to the internal and external forces that encourage a person to start and run a business.

Meaning of Motivation

- Motivation is the **driving force** behind actions

- **It determines:**
 - Why a person becomes an entrepreneur
 - How much effort they put into business

Types of Motivation

1. Internal (Intrinsic) Motivation

- Comes from within the individual
- **Examples:**
 - Desire for independence
 - Passion for innovation
 - Personal satisfaction

2. External (Extrinsic) Motivation

- Comes from outside factors
- **Examples:**
 - Profit earning
 - Social status
 - Government incentives

Dynamics of Motivation

Dynamics means how motivation changes and operates over time

1. Need-Based Motivation

- **Based on human needs (Maslow's Theory):**
 - Basic needs (income for survival)
 - Security (job stability)
 - Social recognition
 - Self-achievement

2. Goal-Oriented Behavior

- Entrepreneurs set clear goals
- Motivation increases when goals are specific and achievable

3. Environmental Influence

- Family background
- Education
- Economic conditions

- Government support

4. Experience and Learning

- Success increases motivation
- Failure can either discourage or motivate improvement

5. Psychological Factors

- Confidence level
- Risk-taking ability
- Attitude toward challenges

Factors Influencing Entrepreneurial Motivation

- Economic conditions
- Government policies
- Education and training
- Family support
- Personal ambition
- Availability of resources

Importance of Entrepreneurial Motivation

- Encourages business creation
- Sustains effort during difficulties
- Improves performance and productivity

Entrepreneurial Competency – Concept

- Entrepreneurial competency refers to the combination of skills, knowledge, attitudes, and behaviors required to perform entrepreneurial tasks effectively.

Meaning of Competency

- Competency is the **ability to perform a task successfully**
- **It includes:**
 - Skills (what you can do)
 - Knowledge (what you know)
 - Attitude (how you think and behave)

Types of Entrepreneurial Competencies

Types of Entrepreneurial Competencies



1. Technical Competencies

- Knowledge related to production, technology, and operations
- Example: Understanding machinery or software

2. Managerial Competencies

- Planning, organizing, and controlling business activities
- Example: Managing employees and resources

3. Behavioral Competencies

- Personal traits and attitudes
- Example: leadership, confidence, persistence

4. Marketing Competencies

- Ability to understand customer needs
- Skills in selling and promotion

5. Financial Competencies

- Managing money, budgeting, and investment decisions

Key Entrepreneurial Competencies

- Opportunity recognition
- Problem-solving ability
- Decision-making skills
- Communication skills
- Risk management
- Time management

Importance of Entrepreneurial Competencies



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