Entrepreneur

**Definition of Entrepreneur:** An entrepreneur is 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 change as an opportunity for a different business or service.

"An undertaker of risks, bringing together different factors of production, planning and supervising over the activities of the enterprise."

**Qualities Required by an Entrepreneur:**

1. He is an enterprising individual.
2. He is energetic, hard working, resourceful, aware of new opportunities.
3. He is interested in advanced technology and in improving the quality of his service or product.
4. He visualises changes and adapts.
5. He is a firm believer in planning and systematic work.
6. He should be a good Administrator.
7. He should know the art of getting things done by other people without hurting their feelings and self respect.
8. An entrepreneur should have creative thinking.
9. An entrepreneurs should have clear objectives as to the exact nature of business.

**Role played by an Entrepreneur in Indian Economy:**

1. **Rise in Income:** Entrepreneurs locate and exploit opportunities. They put to use the idle resources—land, labour, capital and they generate wealth and income in the form of goods and services. And this helps to increase national income and per capita income in the country.

2. **Employment:** Employment is generated by entrepreneurs directly or indirectly. Indirectly, they offer jobs to many when they set up units and help to reduce unemployment.
3- **Capital Formation:**- Entrepreneurs mobilizes idle savings of the public through issue of securities.

4- **Regional Development :-** Regional disparities in economic development are corrected by entrepreneurs in private and public sectors.

5- **Higher Living Standards:-** Entrepreneurs through their innovations and introduction of new products removes the scarcity of commodities. It helps to improve the standard of living of population.

6- **Linkages :-** A change initiated by an entrepreneur leads to a chain reaction, several backward and forward linkages set-up.

**Types of Entrepreneurs :-**

1- **Innovative Entrepreneurs:-** Innovative entrepreneurship is characterized by aggressive assemblage and analysis of results, deriving from a novel combination of factors.

2- **Imitative Entrepreneurs:-** Imitative entrepreneurship is characterized by readiness to adopt successful innovations by entrepreneurs. They imitate techniques an technology innovatated by others.

3- **Fabian Entrepreneurs:-** A dictionary meaning of the word 'fabian' is delaying or avoiding battle. Fabian entrepreneurship is basically imitative in nature but is characterised by great caution. They willingly introduce any changes in the business unless the environment compels them to do so.

4- **Drone Entrepreneurs :-** A dictionary meaning of the 'drone' is the male of honey bee, lazy or idle. Drone entrepreneurship is characterized by refusal to change at the cost of severely reduced return on investment.

5- ** Born and Made Entrepreneurs :-** Born Entrepreneurs are those, who have inborn entrepreneurial qualities like vision, leadership, risk taking ability etc. They are self motivated hence they achieve great success in business.

   Made entrepreneurs:- Made entrepreneurs is one who has got formal training in business entrepreneurship.

6- **Rich and Poor Entrepreneurs :-** Rich entrepreneur is one who is financially well-off. He is financially sound can use modern to technology.

   Poor Entrepreneur is one who is financially weak. Due to financial problems, young people hesitate to take up entrepreneurial career.
7- **Urban and Rural Entrepreneurs** :- Urban entrepreneur is one who has business in an urban area.

Rural entrepreneur is one who is born in and has business in rural area.

**Reasons For Entrepreneur’s Failure :-**

**A- Planning Reasons:-**

(a) **Technical Feasibility:-**

i: Inadequate technical know how

ii: Locational drawbacks.

iii: Outdated production processes.

(b) **Economic Viability:-**

i: High input costs.

ii: Uneconomic size of project.

iii: Overestimations.

**B- Productional Reasons:-**

1- Inappropriate product mix.

2- Poor Quality Control.

3- Poor capacity utilization.

4- Higher production cost

5- Poor inventory management.

6- Lack of timely modernization.

7- High wastages.

**C- Labour Reasons:-**

1- Lack of traines and skilled labour.

2- Poor labour relations.
3- Excessively high wage structure.
4- Excessive manpower.
5- Poor labour productivity.

**D- Administrative Reasons:-**
1- Over centralisation.
2- Lack of professionalism
3- Lack of Management Information System.
4- Lack of controls.
5 - Lack of timely diversification.

**E- Financial Reasons:-**
1- Poor Financial Planning.
2- Poor resource management.
3- Liberal dividend policy.
4- Inadequate working capital.
5- Over- trading.

**F- Marketing Reasons:-**
1- Dependance on Single customer.
2- Dependance on limited number of products.
3- Poor sales realizations.
4- Defective pricing policy.
5- Weak market organisation.
6- Lack of marketing research and feedback.
7- Lack of advanced marketing techniques.