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Topic : Entrepreneur Skill

Entrepreneurial Skill Sem IV-402

Who is an Entrepreneur?

- Entrepreneurship stems from the French word “entreprendre” meaning “to undertake” “to begin” or “to start”
- Who is an entrepreneur ?
- An entrepreneur is the one who organizes, manages, and assumes risks of a business or an enterprise
- As a person, he brings in overall change through innovation for the maximum social good

Who is an entrepreneur? contd.

- The entrepreneur is a visionary and an integrated man / woman with outstanding leadership qualities
- With a desire to excel he /she gives top priority to Research and Development
- He /she works for the well being of the society

Evolution of the concept of Entrepreneur

- The concept of entrepreneur varies from country to country and period to period
- The word entrepreneur has been taken from the French language where it cradled and originally meant to designate an organiser of musical or other entertainments.
- In the early 16th century it was applied to those who were engaged in military expeditions

- Around 1700 AD the term was used for architects and contractors of public works
- Only in the beginning of the 18th century the word was used for economic aspects
- In this way, the evolution of the concept of entrepreneur is considered over more than four centuries

Definition of an Entrepreneur

- The term entrepreneur is defined in a variety of ways and it varies from country to country
- The term entrepreneur was applied to business initially by the French economist, Cantillon, in the 18th century to designate a dealer who purchases the means of production for combining them into marketable products

- According to Jean Baptise Say “ **an entrepreneur is the economic agent who unites all means of production, the labour force of the one and the land or capital of the others**”.
- The New Encyclopaedia Britannica considers an entrepreneur as “ **an individual who bears the risk of operating a business in the face of uncertainty about the future conditions.** “

Definition contd.

- F. H. Knight , in his article on Risk, Uncertainty and Profit propounded the maxim that **“entrepreneurs are a specialized group of persons who bear risks and deal with uncertainty”**
- Joseph A. Schumpeter writes **“ 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 manufacture concerned, a product with which consumers are not yet familiar, a new source of raw material or of new markets and the like”**

Characteristics of an Entrepreneur

- 1. Hard work:** The entrepreneur with his tedious, sweat-filled hours and perseverance revive their business even from on verge of failure
- 2. Desire for high achievement :** The high achievement motive strengthens them to surmounts the obstacles and start anew
- 3. Highly optimistic :** The successful entrepreneurs are not disturbed by the present problems faced by them. They are optimistic for future that the situations will become favourable to business in future.

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- 4 **Independent:** The entrepreneurs do not like to be guided by others and to follow their routine. They liked to be independent in the matters of their business
5. **Foresight:** They have a good foresight to know about future business environment. They well visualise the likely changes to take place in market consumer attitude, technological developments etc. and take timely actions accordingly

Contd.

- 6. Good Organizer:** It is the ability of the entrepreneurs that brings together all resources required for starting up an enterprise and then to produce goods
- 7. Innovative:** Production is meant to meet the customers requirements. In view of the changing taste of customers from time to time, the entrepreneurs initiate research and innovative activities to produce goods to satisfy the customers changing demands for the products. The research institutes established by Tatas, Birla, Kirlosker etc are few examples of the innovative activities taken by the successful entrepreneurs in our country

Contd.

8. **Risk taking** : They take challenging risks which are difficult to overcome but are not impossible. They do not have the attitude of depending upon chance factors to get the expected results instead they would like their own efforts to give the desired results
9. **Sense of effectiveness**: They like to see the problem solved through their involved efforts. Since they are full of confidence in their own capacities they tend to be action oriented.

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10. **Social Consciousness** : There is a universal urge among the entrepreneurs for social change and economic development. As a result the entrepreneurs are always in the look out for new methods of producing or developing new products that would create jobs for many.
11. **Open minded**: They develop the habit of learning from experience the limitations of achievement. They like to get the feedback of their efforts and act accordingly.
12. **Pragmatists**: He lives in the present and is a practical person. He is not a man of mere day dreams or one who is overwhelmed by the past achievements or failures

Other points ...

- They have high expectations from their employees
- They are committed people and have convictions
- They have capacity to analyse
- They are hopeful about future
- They possess high personal efficiency

Interpersonal skills and Entrepreneurship

- **What is Interpersonal skills?**
 - All about working with other people
 - An ability to get along with others while performing the job
 - Characteristics traits are: good manners, positive attitudes , courtesy, habits , behaviour and appearances, which helps us to communicate and maintain good relationship with others

Why inter- personal skill is needed?

- To improve: leadership skills, working environment and relationship, productivity and all round success

Some common interpersonal skills are:

- **Communication skills:** These include verbal and non-verbal communication skills which include what and how we say things along with cues from body language and tone of a person's voice. Interpreting what people say by analyzing their verbal and non-verbal messages is a part of listening skills.

Contd.

- Being able to work in a team, by managing your formal and informal interactions.
- Negotiating with people and working with them to persuade them towards a win-win situation for everybody is also an important part of interpersonal skills. Addressing conflicts to come to a profitable solution is a key to interpersonal skills.

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- Making proper decisions in a time bound situation is also integral to interpersonal skills. Decision making and problem solving are also core aspects.
- Interpersonal skills are treated by most organizations as the fundamental requirement for success and leadership. It has been noticed that most leaders have a strong hold over interpersonal skill

Leadership and motivation

- Process of influencing or stimulating a person to take action by creating a work atmosphere wherein the goals of the organization and needs of the person are satisfied
- The word Motivation comes from the Latin word Moves, which means to move. When we see people working very hard we say they are motivated because we can see they are moving
- The person will work hardest to satisfy his motive. Motives are directed towards goals. Different people have different motive or needs

- The employers or managers have to understand what motivates their subordinates and provide an environment in which they will be motivated and will produce good quality work at the acceptance rate
- Entrepreneurial leadership involves organizing and motivating a group of people to achieve a common objective through innovation, risk optimization, taking advantage of opportunities, and managing the dynamic organizational environment.

Communication skills in Entrepreneurship

- **Conversation** : It is one of the most basic forms of communication. A simple , friendly conversation with the employees can build trust
- **Body language**: Much of communication is nonverbal, so mastering your body language presentation is a must. Posture matters -- sit or stand up straight with your shoulders back and your head high and straight

Communication skills contd.

- **Writing** :You don't have to be a perfect writer, but you do need to learn to be direct and concise in written forms. You'll be emailing and texting people within and outside your organization regularly, and it's important that you communicate your ideas clearly in this medium, with minimal opportunities for misinterpretation
- **Presenting** :You'll be presenting in a few different formats as an entrepreneur. You may be presenting company financials to your top employees or investors. You may present your business' services to an interested buyer. You may even give a speech about entrepreneurship at a speaking event. In all these cases, clarity, conciseness, confidence are all key

- Listening might be the most important communication skill of all, since it ties into so many applications and situations. Active listening can help you converse, debate, lead, negotiate and mediate, and it makes you seem more thoughtful, empathetic and invested in the people around you.
- **Negotiating**
- You have to negotiate for almost everything in a business, so the better you are at negotiating, the more successful your business will be. You'll be able to secure better terms for your office's lease, more reasonable salaries for your most talented employees and even more lucrative options for your top clients.

- **Mediating**

Though your role as a mediator will be less often necessary than your role as a converser, for example, there will be times when you have to step up and resolve a conflict. It might be between two employees with differing opinions about whose responsibility something is. You'll have to acknowledge both sides and help them work out their own problems.

- **Leading**

Your responsibilities as a leader are multifaceted but from a communications perspective, your biggest responsibilities are instilling confidence, trust and passion in your team. You'll be inspiring people through everyday messages, public and private, and retaining your poise as a leader throughout those situations is key to achieving and maintaining a powerful image.