

Entrepreneurship Skills



Introduction

Many industry observers have debated on the origin of entrepreneurship. The fact to note here is that most scholars who debate the origin of entrepreneurship are either Economists or Historians. The common forum accepts that the concept of 'Entrepreneur' is derived from the French concept **entreprenre**, which matches closely with the English concept of business conduct; in this sense – "to undertake". From the business point of view, to undertake simply means to start a business.

The entrepreneurship theory has been changing throughout several decades of business growth and has received numerous definitions and characteristics from different scholars, who believe that some qualities are common among most entrepreneurs. Entrepreneurship's foundations are based on economics and other such disciplines such as History, Politics, Education, Culture, Experience, and Networking.



Schumpeter(Joseph Alois Schumpeter, who was an Austrian-born American Economist and Political Scientist) told that the coming together of various disparate theories forms a generalized set of entrepreneurship skills and guidelines. He then listed the characteristics of entrepreneurs as given below –

- Risk-Bearers
- Coordinators and organizers
- Gap-Fillers
- Leaders
- Innovators
- Creative Imitators

He concedes that although these features are not the only ones, but they do go a long way in explaining why some people become entrepreneurs while others do not.

What is Entrepreneurship?

There are many meanings of the term 'entrepreneurship'. After attentively discussing all the available ones, we can conclude that entrepreneurship is a system of operating business in which opportunities existing within the scope of a market are exploited.



Self-employment necessitates that any available opportunities within the economic system should be utilized in the creation and functioning of new organizations. A potential entrepreneur should show the interest to seek out investment opportunities in the market, so that they can run the enterprise successfully based on the identifiable opportunities.

Thus, going through the above responsibilities of an entrepreneur, the term 'entrepreneurship' has been finally defined as a function which covers multiple functions such as –

- Building organizations.
- Providing self-employment
- Utilization of available resources
- Innovation applied to the novel concept
- Bringing together multiple factors of production in a tangible manner.
- Identifying and exploiting business opportunities within the available market.

Who is an Entrepreneur?

Entrepreneurs are business people who can detect and sense the availability of business opportunities in any given scenario. They will then utilize these opportunities to create new products by employing new production methods in different markets. They will also function in different ways by using various resources who will give them profit.

It is important to note that although most entrepreneurial businesses start small, the owners of such businesses need not be small scale owners. They could in fact be big business owners, who first try and test the waters before investing big time in the business. Small business owners dread risk, but successful entrepreneurs are very

innovative and know how to operate profitably in a business environment, even if the risk is very high.

In fact, innovation is the life blood of any kind of entrepreneurs; this is one of the tools that helps them gain an advantage over established players in the market. Entrepreneurs are, thus, defined as "individuals or groups of individuals who carry out entrepreneurship activities that are based on their innovative approaches to solving real-world problems".

Who is an Intreprenuer?

There are many possible situations where a potential entrepreneur doesn't get a chance to establish or fund his or her own business and is forced to work in an organization. In this case they are referred to as 'Intreprenuers' i.e. entrepreneurs within an organization. These individuals are also entrepreneurs because they don't share the typical "employer employee" relationship with their bosses; instead, they operate just as collaborators and are treated as visionaries in the organization.

Sometimes, such individuals themselves aren't aware of their talent and hidden skills. The organization needs to identify these talented people and then encourage these individuals to exercise their entrepreneurial abilities to the benefit of the organization otherwise such people eventually will get frustrated over the routine life and will leave the organization or start their own businesses to pursue their ideas.

How an Entrepreneur differs from an Intrapreneur?

An entrepreneur is a person who enters a venture through a startup model of business and tries to establish it. This is done while taking risks of bringing together the factors of production to address a cause and making a profit out of it at the same time.

An intrapreneur, on the other hand, will tend to work within an existing organization to pursue the exploitation of business opportunities, in the absence of available business capital, infrastructure or clear direction.

Who is a Technopreneur?

Just like entrepreneurs and intrapreneurs, we also have a "technopreneur", who is an individual interested in bringing innovations thorough technology, and then using the same technology to build a successful business empire.

A technopreneur is first a **technological innovator** and then a businessman who wants to create self-employment and other employment opportunities through his technological innovations.

Types of Entrepreneurs

Based on their working relationship with the business environment they are functioning in, various types of entrepreneurs can be found. The chief categories are these four types of entrepreneurs, i.e.

- Innovative entrepreneurs,
- Imitating Entrepreneurs,
- Fabian Entrepreneurs, and
- Drone Entrepreneurs.

Let us now discuss each of them in detail.

Innovative Entrepreneurs

This type of an entrepreneur is more interested in introducing some new ideas into the market, organization or in the nation. They are drawn towards innovations and invest a lot of time and wealth in doing research and development.

Imitating Entrepreneurs

These are often disparagingly referred to as 'copy cats'. They observe an existing successful system and replicate it in a manner where all the deficiencies of the original business model are addressed and all its efficiencies are retained.

These entrepreneurs help to improve an existing product or production process and can offer suggestions to enhance the use of better technology.

Fabian Entrepreneurs

These are entrepreneurs that are very careful in their approaches and cautious in adopting any changes. They are not prone to sudden decisions and try to shy away from any innovations or change that doesn't fit their narrative.

Drone Entrepreneurs

These are entrepreneurs who do not like a change. They are considered as 'old school'. They want to do business in their own traditional or orthodox methods of production and systems. Such people attach pride and tradition to even outdated methods of doing business.

Roles of an Entrepreneur

Entrepreneurs fulfill the following three dominant roles –

- Economic Change
- Social Change
- Technological Change

These are referred to as **behavioral roles**. All entrepreneurs have these common characteristics and decide to become an entrepreneur due to the factors or circumstances in their lives which made them think the way they do.

To do their work effectively and operate a successful business, these entrepreneurs should perform certain roles. These roles are the same as the basic managerial roles. All such roles are listed out in detail as follows –

Figure Head Role

The entrepreneur needs to be the Head in the organization and participate in ceremonial duties, such as representing the organization in formal and informal events or even being the public spokesperson whenever there is a press release, etc.

Leader Role

The entrepreneur should also act as a leader because an entrepreneur may need to bring people with dissenting views and approaches to work together as a team. So, he needs to be good with his people management and leadership skills. He has to lead the people by hiring, firing, training and motivating his resources as and when necessary.

Liaison Role

The entrepreneur should also be the liaison officer for his organization. He should be the source of link with the outside world and business houses, always trying to find an opportunity of working together with other big organizations.

Monitor Role

The entrepreneur acts as a regulatory body too; he monitors both the internal and the external environment of the business constantly.

Information Provider and Receiver Role

The entrepreneur should also act as the organizational representative and transmit information internally and externally the organization.

Spokesman Role

The manager should also act as the spokesman of the business and transmit information internally and externally the organization. He needs to be the source of knowledge about his company to potential investors and collaborators.

Entrepreneurial Role

This is the basic role of the entrepreneur; he/she declares new ideas for the organizations, brainstorms it with the employees and friends and then bears the risk of any unsuccessful implementation.

Disturbance Handler

The entrepreneur needs to act as the mediator and bring people with dissenting thoughts to the table and get them motivated to work together. He needs to handle all conflicts and get the team to focus constantly on the goal.

Resource Allocator

The entrepreneur needs to find out how the available resources can be allocated between different departments of the organization to suit their demands and necessities. This helps them achieve the organizational goals and the objectives.

Negotiator Role

The entrepreneur must negotiate on behalf of the organization both internally with the staff as well as with the external investors or collaborators. At such opportunities, the entrepreneurs need to be more focused on their role of being a 'win-win' deal breaker.

Added Roles of an Entrepreneur

Apart from the above-mentioned roles, there are some specific entrepreneurial roles that a person is supposed to fill up in his duties of an entrepreneur. These are divided into three categories, which are as follows –

- Social Roles,
- Economic Roles, and
- Technological Roles.

Let us now discuss each of them in detail.

Social Roles of Entrepreneur

- Creating opportunities for entrepreneurship.
- Creating job or employment opportunities in the society.
- Engaging in social welfare services of redistributing income and wealth.
- Transforming a standard working procedure into a more modern approach.

Economic Roles of Entrepreneur

- Bearing the risk of failing in business.

- Mobilizing the revenue of the organization properly.
- Utilizing human resources in a cost-efficient manner.
- Providing channels of further economic growth in the organization.

Technological Roles of Entrepreneur

- Changing traditional technology to modern system.
- Adapting improved technology to business environment.
- Utilization of available technology in the production process.
- Developing efficiency and competence in the workforce through technology

Entrepreneurial Motivations

Motivation is the driving force within people that get them to act in the ways they do. Entrepreneurial motivations are necessary steps of getting individuals to become entrepreneurs. Scholars have conducted various researches on entrepreneurial motivations and have come up with several factors that motivate people to become entrepreneurs.

The standard issue with the concept of “Entrepreneurial Motivation” is that many scholars do not agree on the all the special characteristics that the entrepreneurs are supposed to possess to function as entrepreneurs. In fact, there have been noted cases where successful entrepreneurs haven’t been found possessing many or all the special characteristics identified by experts to become successful entrepreneurs.

Hence, scholars now identify a set of several human motivations that influence the entrepreneurial process and have concluded that that entrepreneurial spirits are not solely the result of human action. External factors, such as the economy, the availability of business capital, competitors and government regulations are also important factors in entrepreneurship.

Non-motivational Factors that Influence Entrepreneurship

There are many non-motivational factors that also influence entrepreneurship. Some of the most prominent of them are as follows –

- Unsatisfactory work environment
- Unwanted career transition
- Positive pull influences

Apart from these, there are many other characteristics such as –

- Established family business
- Childhood
- Family environment
- Education
- Age
- Work history

Some of the most important factors behind entrepreneurship are –

- A desire for applying innovative thoughts
- A desire for independent functioning
- A desire for financial independence
- A desire to achieve personal goals

Need for Achievement

Entrepreneurs realize that they should engage in activities or tasks where they must share a high degree of individual responsibility for outcomes. Hence, they need individual skill and effort to design plans that have moderate or less than moderate risk.

In a nutshell, these individuals know how to deal with situations in which they can achieve results through their efforts. They also know that by effective utility of available resources helps them to achieve difficult goals through a timely and transparent feedback mechanism.



Risk-taking Propensity

Risk-taking propensity is one of the most eminent features in the world of entrepreneurship. It is defined as the willingness to take moderate risks.

This motivational influence on entrepreneurship is the result of the need to have achievements as people with a high need of achievement are always willing to take moderate risks.

This is because activities with moderate risk are both challenging and achievable at the same time. This keeps people interested in the potential profitability of the venture, while also motivating them to take a calculated risk.

Tolerance for Ambiguity

An entrepreneur is someone who is bringing his own vision into a world where such an idea has never existed. He needs to realize that there will be many loopholes in his idea which may place him in the grey areas while explaining his concept to others.

An entrepreneur needs to be fully prepared to handle tough questions on his ideas because people need to feel relaxed and assured that an idea is good before they invest in it. An entrepreneur needs to have a good amount of tolerance for ambiguity.

Goal-setting Strategies

Goal setting is directly related with entrepreneurship. To get success, proper goal setting in personal and professional level is important. An entrepreneur does this by following proper strategy and implementation and not just by listing down what he wants to do. It demands an emotional and intellectual balance to be achieved successfully.

Listening to Your Emotions

It is very important to understand the emotional aspect of goal setting to achieve it. Emotions make a person who they are. Emotions affect a person's health and work as well. Personal vision is important to achieve what you aim for. This can be done by the following ways –

- **Vision** – A clear vision helps people have a goal and connect them with their convictions and emotions.
- **Recognize your values** – Values show what you have learnt and those lessons will shape your future.
- **Consider your goals** – Understand your goals and how you wish to achieve it.
- **Write it down** – Note down your vision statement and visit it occasionally to check if some changes are to be made.

These simple habits can change the way you want to write your destiny and achieve what your goals are. It is important to understand your emotions and have a clear idea about them before explaining others what you actually want to others to see.

Prioritizing Goals based on Re-Gating

Sensory Gating is a process that the brain uses to adjust to stimuli. Our brain has a direct connection to filter out distracting stimuli and performance. Negative emotions like stress, anxiety and depression can switch the chemistry of the brain and limit the effectiveness of sensory gating.



It is very important to set priorities. All your goals should be prioritized, so that you can focus on them accordingly. You should learn to maintain a proper balance in your life through personal values, visions and professional goals.

So, to prevent this imbalance, Re-Gating is important. This can be done by using some relaxing techniques like meditation which calms the mind and body and filter out distractions. It is better to try some relaxation techniques before goal setting to have a clear mind, so that it becomes easier to fulfill certain goals and objectives.

SMART Goals

Goals and objectives motivate people and help them to work in the right direction. This helps them to focus on short term goals by giving them enough time to achieve them. In other words, the strategy for your goals should be **SMART**, which when elaborated in this context means –

- **Specific** – The first thing is to be sure about your goals. Like imagining your goal for 10 minutes every day.
- **Measurable** – Set a time by which you should probably reach your goal. Like becoming more productive and increasing some percent of productivity is not specific.
- **Attainable** – Make goals that you can achieve within the given timeframe. For example, if you are thinking of doubling your salary within a month, it is not possible.
- **Relevant** – The goals you aim should be like your situation. For example, a goal to increase production is not relevant for a person in sales.
- **Timely** – Your goals should have a timeframe.

SMART is the best strategy one can plan to achieve goals and focus on the right direction. It is better to have short goals and work on them rather than having long term goals which cannot be attained in the upcoming future.

Creating a Productivity Journal

It is always a good idea to keep a track of how much money you have spent and the time spent towards your goal, as this will help you analyze how productive you are. This will also help you examine and adjust your priorities and have a clear mindset towards your goals.

Having a productivity journal is just like having a time log, you can also use a spreadsheet to create one. Your journal should include three things, which are –

- Activities,
- Time spent on each activity, and
- The progress or the outcome of the activity.

You must maintain all the three sections honestly.

The Urgent Vs Important Matrix

Sometimes we are busy handling things which tend to be important, but are not actually that important. The best example of this situation is the distracted zone. These tasks may seem important for people around, but they don't help you to meet your goals.

- **Urgent and Important** – As the name suggests the tasks in this section demand urgent attention, it includes handling critical issues as soon as they arise in the first place.
- **Important, but Not Urgent** – This section includes success-oriented tasks which are important for achieving your goal, but they do not demand immediate attention.
- **Urgent, but Not Important** – This section includes tasks which needs to be done urgently, but are not that important. These tasks don't help you to take your goals forward. You can try delaying them or postponing them for some time or even finish them in your leisure time.
- **Not Urgent and Not Important** – The tasks which are neither urgent nor important and are not even related to your goals are composed in this section. These can be considered as just some distractions you get in your way. None of your family and friends are labeled in this category. The things which are not important like playing games for hours are labeled in this section.

The 80/20 Rule

The 80/20 rule states that 80 percent of our success comes from only 20 percent of our actions. In simple words, it is important to focus more on the 20 percent which demands the actions to de-bone for the 80% success. Plan, prioritize and start working on the 20%.

The Glass Jar: Rocks, Pebbles, Sand and Water

This method of “rocks in a glass jar demonstration” is like the time management techniques which are used to demonstrate the importance of having all your priorities set. In this method, a glass jar is first filled with large rocks and then with pebbles.



After pebbles, the jar is filled with sand and water. The main objective of this exercise is to teach the participants that they have to put large rocks first, else it won't fit later. The large rocks represent different goals which we need to prioritize in our lives to achieve.

How to be a True Entrepreneur

A careful decision must be made to move on to a position involving leadership. This means that, entrepreneurs should begin to inherit attributes of great leaders from now onwards. This can boost entrepreneurs to be capable of thriving in their varied roles in the organization.

Set a Role Model

Choose leaders whom entrepreneurs idolize most. They may be leaders of modern world or may be legendary leaders from history or maybe both. Start working by combining styles that entrepreneurs think are most suitable for them. They might include personally known mentors as well.

Maintain Discipline and Decorum

To become an entrepreneur, you need to change some habits that you inherited when you were a follower. A good control over the working process and a consistent rate of implementing ideas are necessary qualities of an entrepreneur. As entrepreneurs, who we have seen before, basic building blocks of a great leader is based on being sincere; have some patience and wait to strike the right note.

Be Determined

Embrace responsibilities of entrepreneurs to understand the role of one. Be persistent in the role of an entrepreneur as it is one of the toughest things to do.

Learn to Study

Be a student of the qualities in a good leader. Conduct various researches with respect to subject, listen to records, lectures and debates about entrepreneurship and take classes based on it. There are many learning options available in the market. Study the greatest ideas out of each of them and start to implement them in everyday activities and thinking.

Practice

Know the basics of entrepreneurship and then try to master them, while integrating some newer attributes or consciousness level all time. With course of time, not only will entrepreneurs become the masters at the art of harnessing their skills, but also will become capable enough to mentor others towards becoming better leaders as well.

This brings us to the statement that **entrepreneurs are made, not born**. The path of an entrepreneur will not necessarily always seem to be easy nor it may look fun, but they need to keep in mind that their goals are always within reach. Some people like to say that journey itself contains all the rewards. With this positive attitude, entrepreneurs are already nurturing their winning habits.

Risk Takers

If an entrepreneur intends to grow, it is important to sportively accept failures as different possibilities. A great entrepreneur has to do this and tell others they need not worry about failures. In fact, the best of entrepreneurs follow their idea at the cost of repeated failures, as every misstep gets them closer to success.

Entrepreneurs must be willing to take certain risks, so that they learn from their mistakes and become capable enough to answer questions correctly to make

investors feel comfortable with their idea. That is why if someone approaches an entrepreneur with an idea, they don't immediately reject it as ineffective.

They permit him/her to think around the idea and determine if it really makes sense. If something goes wrong, they do not discourage that person, instead they are grateful for learning something new. Entrepreneurs gain experience and learn from such meetings, which encourages them to take more risks by analyzing every aspect of that risk.



Ethical Behavior

Entrepreneurs set the bar very high when it comes to maintaining their integrity and accountability towards the organization, irrespective of any circumstances that may, at times, look detrimental to the company's cause. Still, in the longer run, the organization will come out much stronger and better because of this.

Entrepreneurs will be held liable for some of their toughest decisions. They need to keep in mind that it is never possible to satisfy everyone to their heart's content all the time. But the least entrepreneurs can do is to be fair to all their team members. When the nature of business is a bit too competitive, entrepreneurs will have to take tough decisions, which may initially be unsavory, but will benefit the company later.

Positive Attitude

The significance of a positive attitude is great in the professional lives of entrepreneurs. Great entrepreneurs tend to harness a strong, positive attitude that

leaves a mark on others and tends to spread throughout the team. They inject their team members' minds with confidence, which makes them capable enough to bounce back in in case of any adverse circumstances.

Even if entrepreneurs have a greater number of odds against them, greater also are the chances for a true entrepreneur to rise from a tough situation. As a matter of fact, a large number of entrepreneurs have earned fame for themselves by standing strongly against the toughest of times.

People at times perceive them as being unshakable and calm during crisis situations. This does not mean that they are just acting likewise and are being untrue to themselves. A great leader, most of the times, needs help when something does not go right. However, the most important quality is not to panic and lose focus

Eat that Gerbil

Imagine one morning you wake up and you eat a Gerbil for breakfast. This may sound disgusting but the best part is nothing worse than this could happen to you all day. So, the entire day, you will have a satisfaction that nothing worse than this could happen.

Here, Gerbil is the work that has the greatest impact on achieving your goals and the work that you are most likely to procrastinate starting. There is a different story which says, "If you have to eat two gerbils, eat the ugliest one first!". Let us put it this way, say you have two important tasks to complete, then start with the biggest, toughest and the most important task first.



Always discipline yourself to start immediately and then to stop when you complete that task. Do not let your mind wander in any other task. Always try to stop yourself from starting with the easier task. Remember, a small decision you take today affects your present and your future as well.

Now, if you plan to eat a living Gerbil, it will not sit quiet waiting for you to come and eat it. You must work hard to catch it first; so, the key to complete your task is by learning how to handle different situations and planning what is the most important thing you have to complete, and then start working on it.

Effective Communication

Communication is a way to make interaction between people. Entrepreneurs always try to improve their communication skills because it will assist them in sharing their ideas and presenting them clearly and to constantly work in a better way with their staff, team members, clients and colleagues. They understand the role of communication in entrepreneurship and they furnish themselves with some best tips to make their regular interactions effective.

Having good communication skills will also help an entrepreneur at the time of project explanation, elevator pitches, presentation, training as well as many other areas where a person has face-a-face talk with people. An effective communicable person can build his career easily.

The basic steps of communication are –

- The forming of communicative intent to make a healthy relationship.
- Message composition to make a healthy dialogue between two participants.
- Message encoding to hide your personal or confidential thoughts in a message.
- Transmit encoded messages in a sequence of signals using specific channels.
- Checking reception of signals to ensure that they are active in communication.
- Reconstruction of the original message and acknowledge on a particular chat.
- Interpretation of previous messages and making a sensible reconstruction.

Presentation Skills for Entrepreneurs

Presentation is a way to represent your idea through pictures, but it needs excellent communication skills too. Effective presentation can help your business in growth. Once you explain everything digitally in a conference hall, everyone likes your product.



A few steps which you should follow for convincing your target audiences are as follows –

- **Step 1** – Before proceeding to the presentation, you should clear your objective in advance. During a presentation, you can try to focus to a specific topic, so the users are impressed with it and understand your key motive and take a decision.
- **Step 2** – Practice your point of view in advance, so that you can be prepared for the target audience at the time of the presentation. It is a big challenge to impress everyone, but when you know the people, then you can give presentation as per their guidelines.
- **Step 3** – Self-confidence is the key to getting success; it means you must know your positive points and limitations so that while presenting, you should use your qualities and try to hide your weaknesses, so they don't affect your presentation.

Before going for any idea, an entrepreneur must know how to properly create a time schedule under which you can present everything with your effective communication skills. If he learns how to deliver knowledge, guidance and performance all at the same time, then he becomes someone to watch out for.

Previously, people used to create a script as per which they would present their ideas to people. Nowadays, businesses have started opening over a cup of tea. Ideas can come from anywhere. A real entrepreneur knows the target audience even before the idea has been germinated properly.