

Introduction to Entrepreneurship

Entrepreneurship has traditionally been defined as **the process of designing, launching and running a new business**, which typically begins as a small business, such as a **startup company**, offering a product, process or service for sale or **hire**.

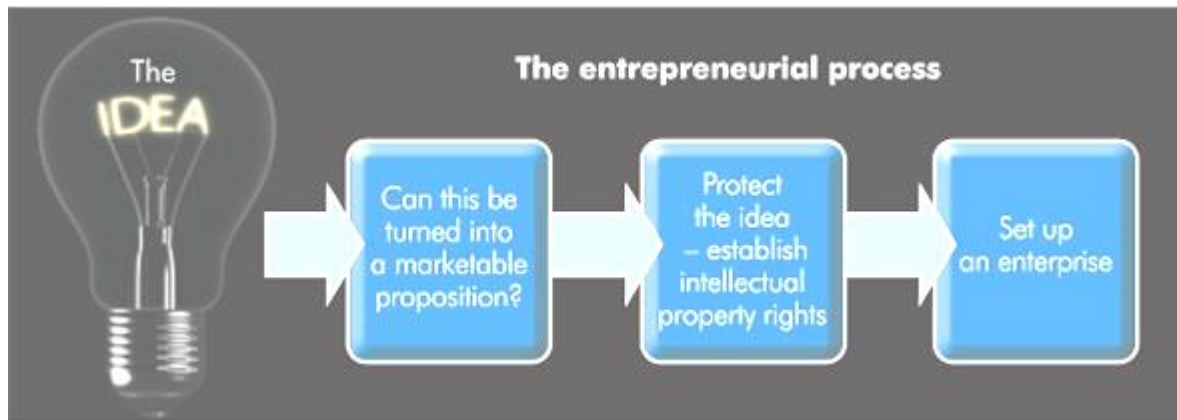
It has been defined as the "**...capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit.**". While definitions of entrepreneurship typically focus on the launching and running of businesses, due to the high risks involved in launching a start-up, a significant proportion of businesses have to close, due to a "**...lack of funding, bad business decisions, an economic crisis -- or a combination of all of these**" , or due to lack of market demand.

In the 2000s, the definition of "entrepreneurship" has been expanded to explain how and why some individuals (or teams) identify opportunities, evaluate them as viable, and then decide to exploit them, whereas others do not, and, in turn, how entrepreneurs use these opportunities to develop new products or services, launch new firms or even new industries and create wealth.

What is an 'Entrepreneur'

An entrepreneur is an individual who, rather than working as an employee, [runs a small business](#) and assumes all the risks and rewards of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes. Examples of entrepreneur:

- Bill Gates, founder of Microsoft. There are probably not many people that have not been touched by one of his products, such as Microsoft Windows, Microsoft Office and Internet Explorer.
- Steve Jobs, co-founder of Apple computers, which produces Macs, iPods and iPhones, as well as Apple TV.
- Mark Zuckerberg, the founder of Facebook.



Setting up a business

To set up a new business, an entrepreneur needs to follow several steps:

- **Develop new products and services.** For example, the Innocent® brand of smoothies was created by three university students. They realised there was a market for fruit drinks made from completely natural ingredients. This new idea enabled Innocent to break into a market that was dominated by existing producers.
- **Check that ideas are new.** Entrepreneurs need to carry out a search of registered intellectual property to check that their idea does not already exist. Further information on searching intellectual property rights;
- **Investigate if there are any barriers to setting up the business.** Will the business need to comply with any legal requirements?

Raise finance for the business: Long-term capital can be obtained from: • the owners' own money and savings, other investors, by offering shares in the new enterprise, banks other institutions, in the form of loans and grants.

Starting a business generally requires:

- A business concept or idea involving a product, service, process, or new technology
- People to support the work, whether as employees, vendors, or advisors
- A process by which the product or service will be delivered, or the technology will be developed
- Enough money to support the development of the idea to the point that it generates revenue

What Kind of Business to Start

Finding a need or opportunity in the market and filling it is at the core of entrepreneurship and small business success. That doesn't mean that starting a business similar to one already in existence can't be successful, however.

In considering what kind of business to start, assess:

- Your interests
- Your background and experiences
- Your financial resources
- Unmet market needs
- Problems you can solve
- Your network and connections

Principles of Entrepreneurship

1. Be a Solution Provider

You must note that entrepreneurship is not about profitability at first but it's about providing solutions. Over the years, business bloggers had noted that passion is what brings success in business. This is because, in starting a business, there are bound to be issues ranging from sourcing funding to getting good partners, building a good team, location, marketing etc. If you are involved with inexperienced persons, you are bound to fail as fast as you had started. Only passion can keep you if you find yourself in such situation. You just need to impact a life no matter how small; that is the beginning of your success story.

“Look for a way to make life easy for others”

2. Have a Vision

You are not an entrepreneur merely to make a living. You are an entrepreneur because you want to enable the world to live more amply, with greater vision, with a finer spirit of hope and achievement. You are an entrepreneur to enrich the world, and you impoverish yourself if you forget the errand. Jonathan Swift said that *“Vision is the art of seeing what is invisible to others”*. Have a defined purpose and pursue it.

“Successful entrepreneurs are those that were able to transform their vision into reality”

3. Choose the Right Team

When assembling your team, it is imperative to gather a team with the same mindset and attitude towards achieving a common goal. You must not involve family or close friends especially those without any knowledge or expertise they can add to your startup. Your team must have the same drive, tenacity, perseverance and an underlying belief in themselves and the value they can add to the success of the business. Your team must be motivated and dedicated.

“Good team work builds speed”

4. Viable Product/Service

Let your product/service fulfill a need, be innovative and the approach, a little different from other regular businesses. Technology is an important tool in the hand of modern entrepreneurs. Your business should easily be accessible to your target customers. Always give your customers room for feedback or suggestions on how your product/service can be better.

“Good products most times sell itself”

5. Capital

Good business plan always draw investors. Capital should be your least worry when you have a solution. Entrepreneurship is all about solution. When your idea is great, you can easily get investors or government loan. In my country, Nigeria for example, government has created loan programs for SMEs and this can be easily accessed with a good business plan alone. One of such programs is [YouWin](#). Also, the [Central Bank of Nigeria is supporting startups with funding with a little interest rate](#). These funding schemes should be exploited. These are measures most national governments are applying to promote entrepreneurship knowing that the growth of the world's economy depends on it.

“Capital isn't scarce, vision is”

6. Accountability

As an entrepreneur, you are accountable to the success or failure of your business, not your employees, investors or advisors. You must have detailed account of whatever transaction made by the company. Have a scorecard of all inventories. Always carry your investors along if there are any. The success of any business is, in many ways, measured by the management of its resources. Even if you hire a full-time accountant, as an entrepreneur, you are expected to have a fundamental

knowledge of accounting – how it works and how to apply its basic principles with the aim of operating a flourishing business.

“Accountability breeds responsibility”

Recommended Read: [*10 Startup Lessons For Young Entrepreneurs*](#)

7. Growth and Marketing

Every successful business grew over the years. No conglomerate or group of companies started at the top. It was all a process. Success in business is not a one-time event; it is an on-going process. You must give room for growth. Do not be content with the success of yesterday; always strive to beat your own record. That way, your business will keep on growing, your investors will be happy to remain and inject more funds. Always remain focused and dedicated to your goal. Have a clear goal and pursue it. Your business growth also depends on your marketing strategy. Marketing helps in getting your product known and good sales come from good marketing.

“Without continual growth and progress, such words as improvement, achievement, and success have no meaning”

8. Know Your Customer

Your customer base determines the life of your business. If you provide solution to better the world, your customers will increase. In business, the higher your customers, the higher the profit. Your business must be streamlined into a particular niche. This will help you to know who your prospective customers should be and how to get and keep them. When you focus on a niche market, it is more efficient, more productive and less competitive. Always map out strategies that will allow for customer feedback even if it means giving out discounts/vouchers in exchange.

“Always treat your customers as special guests”

9. Priorities

For success in business, you must categorize things in order of importance. That is why I mentioned about niche marketing earlier. Set your priorities based on your goals and do not deviate. Your investors should not make you lose focus on your dream. Daren Smith of [theselfemployer.com](#) wrote “Decide what to do and do it, then decide what not to do and don’t do it. Simple! Analyzing what to create next based on what has proven to have the biggest return isn’t selling out, it’s just good business. If Apple had pushed their Mac Pro, their powerhouse desktop computer created specifically for demanding professionals who need lots of computing power, harder than they pushed the iPod back in the day, they wouldn’t be the industry giant they are today. I’m sure there

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were some people who were way more passionate about the Mac Pro, but they had to realize that the numbers don't lie, and the iPod was more important to market to the world." Your target should always be defined.

"Things which matters most must never be at the mercy of things which matter least"

10. Never Give Up

The never give up attitude is one quality an entrepreneur must possess. Successful entrepreneurs are goal-getters. They never give up on turning their vision into reality. Like I stated in this article [10 Causes of Business Failure](#), quitting too soon is the biggest reason why many businesses failed. If you do not persevere, enquire, research, fail and try again, you might not be successful in business. If you persist, you will have no choice than to succeed. In entrepreneurship, persistence and determination is supreme.

"Never, Never, Never Give Up"