



ENTREPRENEURIAL SKILL

A person who sees a problem is a human being; a person who finds a solution is visionary; and the person who goes out and does something about it is an entrepreneur.”

- ✓ An entrepreneur is one who identifies a problem, develops a solution by taking required actions, and contributes to the economy by creating a business out of it.
- ✓ Setting up a business, based upon some idea to cater to society, while taking some risks and working towards its growth to cater profits is called entrepreneurship.

Employment	Entrepreneur
In an employment scenario, an employee gets compensated, for the value their work delivers to the world.	An Entrepreneur focuses on identifying problems/challenges in the society/world, working on the solution for it, and then putting a system in place that delivers value to the World irrespective of their physical presence.
	Entrepreneurs are not job seekers, rather they are job providers.
	Any country's GDP and economy depend on its entrepreneurs.
	Growth in the entrepreneur leads to the growth in the development of the country. That is why our government is high. promoting entrepreneurship.
	PM says that Today's youth want to be job creators and not job seekers.

Enterprise — The business setup by an entrepreneur is called an enterprise.

- ✓ **Startup** — A business or a company is called a startup when it is in its initial phase of development, i.e. when the focus is on developing the product to make it fit for market.
- ✓ **Business** — Business refers to the commercial activity which is based on an old concept, whose path is relatively tested and there is a low risk involved.
- ✓ **Entrepreneurship** - Entrepreneurship refers to an activity based on a new idea, a unique concept which entrepreneur is trying to bring to reality.
- ✓ **Startup Company** — An entrepreneurship venture initially is called a startup company, and when established it is termed as an enterprise when it may later become a business.
- ✓ **Businessman** - While a businessman can be termed as a market player who creates own place in existing market but an entrepreneur is a market leader who creates his place in the market or in other words, creates a new market for his venture.

For example - if your uncle decides to open a shop that sells the branded clothes for youngsters, this venture will be termed a business. But if your uncle is trying to create a design venture that will use

artificial intelligence to design and create clothes for people. while keeping in mind changing trends, a person's personal choice, and requirements as per the occasion, this would be termed an entrepreneurial venture.

Business vs. Entrepreneurship

Criteria	Businessman	Entrepreneur
Meaning	Commercial activity based on an old idea tested concept	Commercial activity based on a new idea, or concept.
Market Position	Market Player	Market Leader
Nature	Calculative	Intuitive
Risk Factors	Less	Comparatively high
Methods applied	Tested and conventional	New Method of Unconventional
Orientation /emphasis	Profit	Solving a people problem
Competition	Very High	Low

Types and Fields for Entrepreneurship

An enterprise or a business can belong to one of the following categories:-

1. Product Based 2. Service Based 3. Technology-Based

1. **Product-based** — are based on actual goods/products, which are tangible, i.e. they exist physically – can be touched and have a specific shape, design, and weight. (E.g. padlock explain)

.The product-based business may be two types-

a. **Manufacturing based** – Manufacturing of goods means producing goods in a specific shape and design using specific raw material, chemicals etc. by following a specific process using machines or tools.

Manufacturing can be done for products of various types, such as –

- ✓ Polymers/ Plastic Goods
- ✓ Industrial components
- ✓ Spare parts
- ✓ Processed foods
- ✓ Footwear

b. **Trading-based** — Trading refers to buying goods from distributors or from producers and then selling them in the market with a profit margin. Traders do not take ownership of the goods. Trading of goods can take place for products like –

- All Manufactured products.
- Agricultural Products.
- Technical Products like software, games and so forth.

Types of Traders—

- (i) **Distributors** — who buy from Manufacturers directly.
- (ii) **Wholesalers** — Who buy from distributors?

Toys from Trash – by Arvind Gupta - (he created recycled waste material based well-designed toys based on the concept of physics so that children can practically run and grasp the basic principal of science)
- A Product Based Company)

(iii) Retailers — who buy from Wholesalers and sell the goods to the consumers.

2. Service Based — The product business sells physical, tangible products, while the service business owner sells his skills as the primary product. Example –

- ✓ Mobile/watch/computer repair shops / Grocery delivery (Milk/veg/Big Basket etc.)
- ✓ Restaurants / Salons / Boutiques / Courier Service/ Dry Cleaners / Financial Services etc.
- ✓ Urban Clap – A Service-Based Startup [co-founders – Varun Khaitan, Raghav Chandra, Abhiraj Bhal]

3. Technology-based Enterprise — The enterprises (both product-based or service-based) that are based on ICT, are technology-based enterprises. These companies either create or sell technical products or provide technical support.

Infosys, Wipro, NIIT - A Technology Based Company

Entrepreneurship at various levels

Entrepreneurship can happen at small scale, medium scale, and large scale. Small and Medium-scale Enterprises are known as SME and Large-Scale Enterprises are known as LSEs. Sometimes enterprises are innovative driven, hence called as Innovative Driven Enterprises (IDE). Most IDEs are large-scale enterprises.

In **2006**, two young engineering graduates in computer science from **IIT Delhi** working at **Amazon.com** realized the potential of e-commerce based business. Indian consumer profile at that time was changing. Home delivery concept for domestic consumers was the need. Back then, it was **tough for people to trust, paying on the Internet**.

Entrepreneurship Vs. Employment

Entrepreneur	Employee
All roles he has to perform : from owner to lowest level of work.	An employee is assigned or given predefined/fixed role.
Manages all resources (Man.Machine, Money)	Manages only what is defined in assigned role.
Involved in the work 24 X 7.	Involved in the work only for fixed timing.
He makes decisions independently after consulting the field experts working with him.	Waits for instructions, or decides only that much defined in his role.
Self-disciplined and self-motivated.	Always looks for instructions.
Takes care of all people working with him from senior positions to support staff. Generates employment.	Takes care of team assigned.

Two successful entrepreneurs-

1. Ritesh Agarwal founded OYO rooms at the age of 18.
2. Richa Kar – At the age of 30 she founded her own venture Zivame .

Two successful entrepreneur-

1. Sundar Pichai (Current CEO of Google)
2. Satya Nadella – CEO of Microsoft.
(given concept cloud computing)

Risks of entrepreneur-

1. No Guarantee of Paycheck.
2. No regular Income.
3. No Personal Time.

Rewards of entrepreneur-

1. You live your passion
2. Great Boss
3. Own Time
4. Location
5. Monetary Gains.

Challenges in Entrepreneurship-

1. Giving up a career
2. Team Building
3. Cash-flow Management
4. Time Management
5. Proper People Skills
6. Decision Making
7. Taking Risk and Mitigation

Entrepreneurship Development Process

Finding the Right Business Idea / Developing the Business Plan / Get Finances/ Money Understand Customers' Needs to get paying customers. / Launch your product/service.