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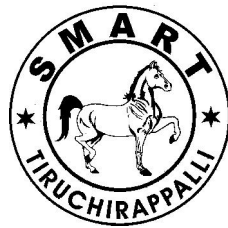
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Chief Editor
Dr. M. SELVAM, M.Com., Ph.D.,
Bharathidasan University,
India



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ENTREPRENEURSHIP:A GLOBAL PERSPECTIVE

A. Chandramohan, V.M. Ponniah and K. Vasanthi Kumari

Management Faculties, School of Management, SRM University, Chennai, India

Abstract

In the modern world, it is becoming difficult for any business entity to achieve growth and also to sustain the operations at the present level. This is because of many reasons viz.- improved choice for the customer and fast changing preferences. Any business entity should continue to change according to the environment in which it is operating. They should try to differentiate their product or services from that of their peers. For many organizations, where many professionals and experienced people are working to take care of functional areas like production, marketing, finance, human resources etc, these emerging areas of keeping in tune with the fast changing world, may be within their reach. However, for small and medium enterprises, this is a challenging task. This is because the entrepreneur is expected to keep pace with all the developments to enable him to take right decisions at the right time. Entrepreneurship and enterprise promotion are now global. They speak to all markets - to advanced economies, to emerging economies, and to newly opened economies like China. This article focuses on the backdrop of the role of entrepreneurs in the modern era.

1) Introduction

The setting up of McDonald's was entrepreneurship though they McDonald's did not invent anything new and its final product is what any decent American restaurant had produced years ago. But, by applying management concepts and techniques (for instance, by asking what is "value" to the customer), standardizing the "product" across all locations and countries, designing processes and tools, and streamlining training on the basis of the analysis of the work to be done and then setting the standards it required, McDonald's both drastically upgraded the yield from resources and created a new market and a new customer base. This is entrepreneurship.

From Schumpeter to McClelland to Udai Pareek, there are many who professed on the characteristics of entrepreneurs. For a person who wants to shortlist the characteristics, the task will prove a big challenge and the outcome is never conclusive. Facing the elusive target, eight characteristics are considered important and represented as vertices of an octagon of entrepreneurship.

2) Definitions of Entrepreneur

The dictionary meaning of the word 'entrepreneur' is given as a person who starts an enterprise, business or a firm. He or she works for self and also provides employment to others. In simpler terms, an entrepreneur is to have a right mix of all these qualities. He has to have both managerial qualities and innovative skills.

Name	Application Definition of the term Entrepreneur
J B Say	Organiser of a business
Adam Smith	Provides capital, without the leading role in an enterprise
Schumpeter	Who introduces Innovations
Arthur Dewing	Who promotes ideas into business
Robert D Hisrich	Who has great dreams- visionary- leader
New Encyclopedia Britannica	As an individual who bears the risk of operating a business in the face of uncertainty about future conditions

3) Qualities required in an Entrepreneur

According to M. Sujatha Mellacheruvu, the following are the qualities required in an entrepreneur

- | Ability to find and explore opportunity
- | Innovativeness
- | Independence
- | Facing uncertainty
- | Positive self concept
- | Flexibility
- | Need to achieve
- | Planning

As everyone knows, the entrepreneur generates the business ideas, identifies the best business opportunity and analyzes the same through feasibility studies and implements the optimum business opportunity. While carrying out, the entrepreneur faces hurdles during the pre-investment stage, investment stage and normalization stage.

Creativity & Innovation	INVENTOR	ENTREPRENEUR
	PROMOTER	MANAGER
	Management skills	

4) Benefits of Entrepreneurship

Entrepreneurship is within everyone's potential as it is a type of behaviour dealing with opportunities rather than resources only and can be displayed in both SMEs as well as large enterprises. SMEs, particularly start-ups are today seen as a vehicle for entrepreneurship. They not only contribute to employment and political stability but also to the country's innovative and competitive power. The promotion of entrepreneurship and innovation leads to economic growth and international competitiveness in a global market. All this is happening, following general market fragmentation, flexible automation and adoption of new information and communication systems. These, combined with rising educational standards, freer movement of goods and ever-changing consumer tastes, encouraged a shift from large enterprises to SMEs.

We know that firms, large or small, new or old, compete successfully through innovation-based entrepreneurship which is the ability to generate or adopt new innovations and to successfully bring them to market. Innovation-based entrepreneurship enhances the strategic and financial performance of companies and drives the growth and development of competitive industries and regions.

Box 1 Entrepreneurial activities at different levels

a) At the national level, entrepreneurial activity accounts for :

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| • differences in the rate of economic growth between nations; |
| • a significant proportion of all net new jobs created nationally; and |
| • a significant proportion of new technological advances nationally. |

b) At the regional level, entrepreneurial activity accounts for:

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| • the adaptability and sustainability of regional economies over time; |
| • differences in the rate of economic growth and development between regions |
| • differences in the levels of productivity and standards of living between regions. |

c) At the industry level, entrepreneurial activity accounts for:

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| • the pace of technological advancement within certain industries; |
| • the degree of competitive threat from new firm entries: and |
| • the growth, financial stability and wealth created within certain industries. |

d) At the company level, entrepreneurial activity accounts for:

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| • the competitive advantage that distinguishes the most viable companies; |
| • a significant proportion of a company's growth in sales and profits over time |
| • differences in the level of financial stability between companies. |

The level of entrepreneurial activity is one of the strongest indicators of a firm, industry or region's ability to benefit economically from innovation. The building blocks for innovation and entrepreneurship are indicative of the capacity to establish and sustain a competitive advantage in an innovation-driven economy.

5) Leadership style: Entrepreneurs vs executives

According to Satyabir Bhattacharyya, it is the leadership style that creates the appropriate climate for entrepreneurship and innovation in an organization. It is well known that promoters/founders of businesses are great entrepreneurs but not certainly good leaders. On the other hand, successful business executives are not only good leaders but invariably turn out to be good entrepreneurs as well. It is also widely known and well recognized that two business leaders are never identical in their style of functioning. However, there are certain common traits among successful leaders of top companies in the world whether he is an ENTREPRENEUR or an EXECUTIVE.

6) Entrepreneurship and Innovation

Innovation is generally defined as "making changes to something already established". This is different from "invention" which is described as discovering something new. It is now

acceptable that innovation can be defined as a product or service with a better performance. A manufacturing process can also be innovative even though the final product is no different. It can be deemed as innovative because of the better way it was made. Finally a product can be innovative because the manufacturing of the product was managed in a better way. "Better" means that the product or process or management is cheaper, has less steps, uses less resources, is more reliable, in fact anything that makes the product more appealing to the consumer and hence more competitive.

The existing SMEs (small and medium enterprises) have to reinvent their entrepreneurial spirit by maximizing their existent core competencies for addressing these issues. Industries have to realize the importance of science and technology graduates and invest in employing them to positions where they can help the company to be more innovative and improve the number of new products and processes.

7) Entrepreneurship and Regulations

Some of the promotion activities to encourage entrepreneurship are :

- Ensure stable macroeconomic conditions to underpin the entrepreneurial business environment.

- Ensure the reduction and simplification of administrative regulations and costs which fall disproportionately on SMEs.
- Promote an entrepreneurial society and entrepreneurial culture, in particular through education and training.
- Ensure that programmes in support of SMEs and entrepreneurship are realistic in terms of cost and they are designed to deliver measurable results.
- Strengthen the factual and analytical basis for policymaking in such a way that policy makers can take decisions in an informed manner based on empirical evidence.

According to Satyabir Bhattacharyya, though it is a cliché to say that founders flounder, unfortunately it is usually true with some exceptions like Bill Gates, Mukesh Ambani, N.R.Narayan Murthy, Sam Walton and Steve Dell. By and large, executives who start a business or a project, struggle and eventually fail more often than not before they get their venture on its feet. Entrepreneurs actually show their inability to switch to the executive mode much earlier in the business development process than most people realize. But the reason why executives fail to 'scale' i.e., adapt their growing business, remain fuzzy. It is presumed that there is an entrepreneurial personality, which is perhaps not true.

The few tendencies that really work well for leaders of small companies or start-ups but could become a problem, as the company grows larger can be:

- Loyalty to comrades
- Task oriented
- Single- mindedness
- Working in isolation

8) Entrepreneurship and funding

The following are some of the points to be noted with reference to entrepreneurship and funding:

- Concentrate on policies for enabling availability of risk capital to innovative SMEs mainly in the early stages of the financing of the firm.
- Recognize the need for proximity between suppliers of funds and those who require finance, particularly for small-scale investment.
- Increase the managerial and technical expertise of intermediaries whose role is to evaluate and monitor companies.
 - a) assessing the quality of applicants;
 - b) applying due diligence;
 - c) exercising corporate governance and monitoring; and
 - d) assisting SMEs as they use the funds.
- Facilitate international transfer of institutional infrastructure and expertise.

Box: 2 Entrepreneurship and Net Working

• Improve SMEs access to information about networking opportunities.
• Increase the participation of SMEs in research networks and technology markets.
• Support the emergence and maintenance of innovative clusters.
• Identify and promote best practice policies which support company innovation through cluster development.
• Enhance SME awareness and knowledge of all elements of the intellectual property system.
• Seek, through the WTO Round and other channels, to ease trade barriers.

9) Cross Border Benefits to Entrepreneurship

- Promote the role that foreign direct investment can play as a vehicle for SMEs to access international markets.
- Encourage the smooth, cross-border growth of SMEs by reducing the need for internationally active SMEs to comply with multiple sets of rules or requirements.
- Facilitate access to the information SMEs need to operate internationally.
- Enhance incentives for new public-private partnership initiatives that would help SMEs reach global markets for innovative products and access foreign sources of advanced technologies and knowledge.
- Strengthen SME capacities to improve their competitiveness in global markets.
- Maximize the spillover of management skills and knowledge from multi-national enterprises to local SMEs.

10) Conclusion

Entrepreneurship is accepted as the key for economic development of the nation. Some of the successful stories of global entrepreneurs can be inspirational to young and dynamic aspirants to be entrepreneurs. The important

qualities of successful entrepreneurs are ability to find and explore opportunities, creativeness, willingness, independence to act under uncertainty, flexibility in taking effective decisions for effective planning and achievement. Some effective and service oriented entrepreneurs are different from professional and growth oriented entrepreneurs. This article highlights some of the essentials that entrepreneurs must possess which are identified with relevant examples. These success stories can be inspirational to young and dynamic entrepreneurs.

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