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Entrepreneurship

Assessment 1

Existence of enterprise and entrepreneurship from a range of perspectives

This paper presents the application and critical evaluation of concepts of enterprise and entrepreneurship from different fields. Taking into account the development in the historical aspect of entrepreneurship. Whether experience and examples from history can prevent mistakes, whether the potential of entrepreneurship can be developed on the basis of experience. What are the characteristics and steps for a successful entrepreneur and to what extent is it necessary to have entrepreneurship in 2020? The investigation of entrepreneurship as an art in accordance with economic or ideological values under the influence of the external and internal environment. Considering an idea in entrepreneurship by profit and not for profit differences.

Starting to consider, critically apply and evaluate concepts of enterprise and entrepreneurship from different areas of perspective: for example, as an entrepreneur, support provider or policy maker, it is inevitable to pay attention to the leading definitions in the field. One of the main starting points is the vision for scientific analysis presented by Schumpeter "not simply progressive discovery of an objective reality"; it is 'an incessant struggle with creations of our own and our predecessors' minds" (GRAÇA MOURA, M., 2017, p. 115-138). The answer to the question of what is Entrepreneurship is "Entrepreneurship is a process by which individuals, teams or organisations identify and exploit opportunities for new products or services that satisfy a need in a market " (JOHNSON, G., WHITTINGTON, R., SCHOLLES, K., ANGWIN, D. and REGNÉR, P., 2017, p.310). An alternative view is to consider Entrepreneurship as an art, referring to Kant's definition of art as "a kind of representation that is purposive in itself and, although without an end, nevertheless promotes the cultivation of mental powers for social communication" (GUYER, P., 2009, p.44), and the transformation of this idea into a business. Entrepreneurs, in turn, gather and integrate all the necessary resources to turn an invention or idea into a viable business. By resources we consider the necessary financial resources for the implementation of the invention or idea, the necessary specialists for development, the business model for expected monetary values and the selection of appropriate strategies.

A very important part is the presence of corporate entrepreneurship in companies. Corporate entrepreneurship in companies is necessary for the development, improvement and renewal of the products and services it offers. Depending on the concept and industry of the companies, they can be conservative or highly entrepreneurial "exploit product-market opportunities through innovative and proactive behavior"(HORNSBY, J.S., KURATKO, D.F., HOLT, D.T. and WALES, W.J., 2013, p.937).

The presence of entrepreneurship dates far back in our history, starting with Marko Polo in the 12th-14th centuries, going through "entrepreneurs such as Andrew Carnegie and Henry Ford that first recognized the economic benefits of mass production and mass marketing"(CASSON M., CASSON C., 2014, p.4) and reaching 2020 with the brightest representatives in the field of entrepreneurship like Elon Musk, Mark Zuckerberg, Steve Jobs, Bill Gates.

Inevitably, there is a desire to understand the formula for success in entrepreneurship. What moves, provokes and what are the steps needed to implement an idea.

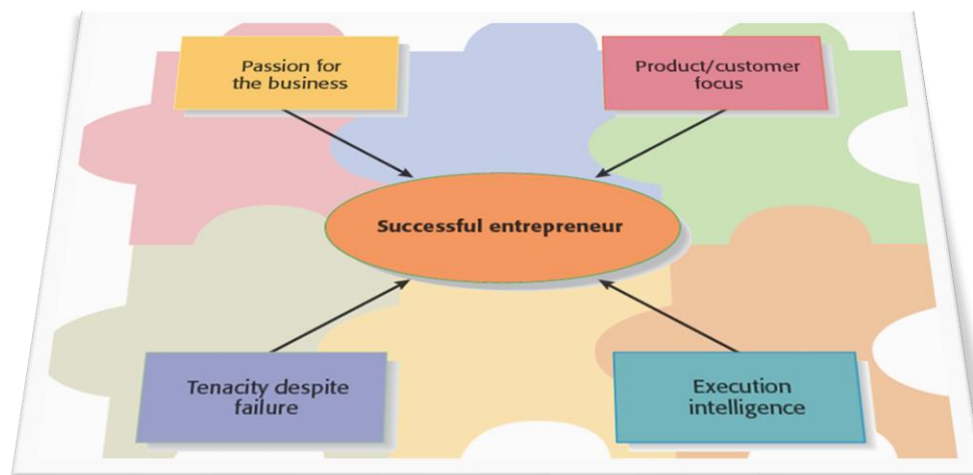


Figure 1 "Four Primary Characteristics of Successful Entrepreneurs/Internet/

One of the most important characteristics for a successful entrepreneur is the passion for business. This passion is associated with the desire to improve and enhance products or services that have a positive impact on people's lives.

The second defining characteristic of successful entrepreneurs is the focus on the product / customer. This characteristic stems from the fact that most entrepreneurs are specialists in a particular field such as technology, cooking and more. An example is Jamie Oliver and his company Richtopia, which ranks 2nd in "The 100 Most Influential British Entrepreneurs" (CAG, D., 2015).

Perseverance, despite failure, is also an integral part of the traits of a successful entrepreneur. In search of new technologies, products or services, the possibility of failure is very high, so it is important for entrepreneurs to continue and improve their innovations despite failures and failures. "Five years and 5,127 prototypes later, James Dyson had invented the world's first bagless vacuum cleaner" (Dyson, 2020).

Performance intelligence is also key to motivating a solid business.

There are many myths and theories about the origins of entrepreneurs, including family background referring to "Roberts (1991) has developed the idea of 'The entrepreneurial

heritage' to describe the importance of the family background for the entrepreneur" (Bolton B., Thompson J., 2004, p.24). Everyone has the potential to become an entrepreneur depending on life experience, environment, personal choice, knowledge. However, there are common characteristics that distinguish successful entrepreneurs as creative, moderate risk-taking, perseverance, optimism, dreamer, determined, energetic.

Considering Entrepreneurship as creating your own business and in the presence of the main characteristics - passion, idea, successful use of the created or built opportunity and relying on the resources available to the company, we must pay attention to the theories, models and strategies needed to build value of the endeavour.

In order to start an innovation as an idea or a product, it needs a person to create and develop it. Of course, there is the opposite option where a company is looking for a person to stabilize and update an existing product or service, and in this process, we rely on certain characteristics and traits in the choice of this person. That is why it is necessary to pay attention to theories in the direction of leadership.

The distinction and impulse of the leader and his recognition as such in the eyes of others based on two theories of Stogdill from 1948 and Wickens 1999 "a person does not become a leader by virtue of some combination of traits, but by patterns of personal characteristics, activities and goals of the followers"(Carter S., Jones-Evans D., 2006, p.293-294) and "Leadership is actually invested in a person by her followers based, on their respect for the ability, their trust in her, their sharing of her goals and whether or not they are inspired by her"(Carter S., Jones-Evans D., 2006, p.294).

In this search for a leader entrepreneur we inevitably notice the development and increasing focus on the individual. We can definitely talk about the power of knowledge and the desire to deal with or improve certain services or products that have arisen out of need, as the main incentives for entrepreneurship. To what extent are these qualities inherited or acquired and to what extent does it help family, favorable environment, opportunity for development and prosperity and thanks to the rapid access to information from around the world today we see that the entrepreneur is everywhere regardless of geography, traditions and political environment "Indeed, Handy 1997 has suggested that leaders are grown, not made" (Carter S., Jones-Evans D., 2006, p.295). Introduced by "Uusitalo, (2001) Standard economic theory must be augmented to explain such a pursuit, and many scholars have tried to understand the "homo entrepreneurs" (KERR, S.P., KERR, W.R. and XU, T., 2018, p.3).

In different countries and societies there are different opportunities for entrepreneurship in some there are developed traditions and an eye for opportunities and innovations in others they see entrepreneurship as a new feature of the economy. Of course, this is determined by cultural, geographical and political factors. In different societies the degree of discovery of investors and supporters is different depending on the economy and policy of the state, the search for support and approval for a new venture is also based on different points of reference necessary for the entrepreneur such as family, environment, education, traditions, age. "Then entrepreneurship is a social and cultural phenomenon that is reflected in the GEM Adult Population Survey (APS)" (GEM,2019-2020, p. 31).

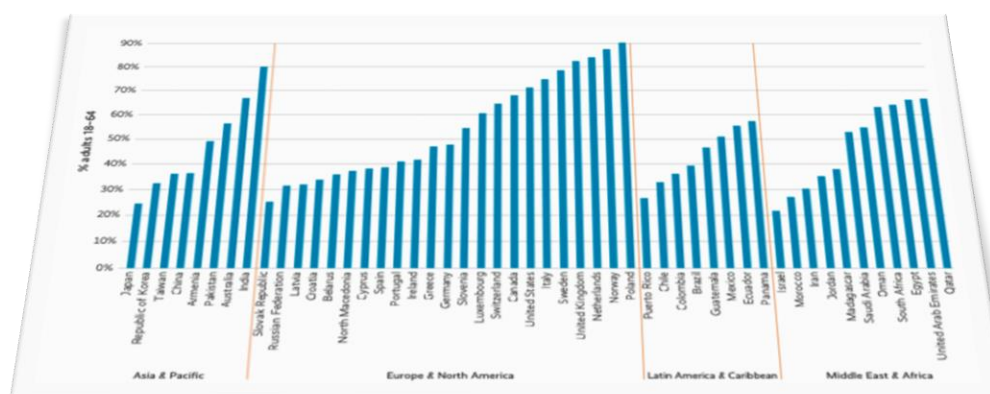


Figure 2 In my country, it is easy to start a business (% adults) Source: (GEM Adult Population Survey, 2019, p.31)

Based on this survey Fig.2, it can be said that the country of origin can influence the start of a new business supporting with definitions by Schumpeter (1965) “that focus primarily on fiscal aspects such as capital gain, exploiting market opportunities, and economic growth” (SMITH, R., BELL, R. and WATTS, H., 2014, p.3). Going through the theory of Duncan (2009) for social entrepreneurship “that social entrepreneurs were a distinct group compared to commercial entrepreneurs” (SMITH, R., BELL, R. and WATTS, H., 2014, p.4) and summarizing with Haines (2009) that social entrepreneurs are like standard entrepreneurs “have aspirations to develop and grow their enterprise, where growth can be viewed from a range of perspectives, but primarily driven by the provision of a perceived social value” (SMITH, R., BELL, R. and WATTS, H., 2014, p.5).

The consideration of entrepreneurial risk outside the monetary aspect also needs additional understanding and insight, respectively reflects on the enrichment of definitions. Social entrepreneurs have their own social goal, which is based on possible economic success based on Bornstein and Davies (2010) “To do so, they must often compromise the financial security of their families by leaving well-paid jobs or converting their current enterprise into a non-profit venture (SMITH, R., BELL, R. and WATTS, H., 2014, p.17). The level of risk for different types of entrepreneurs depends on the level and number of stakeholders. The need to solve a social problem or need is discovered by a social entrepreneur and his goal is to solve the problem or to improve or create opportunities by improving the needs, in most cases they have a social impact “On the whole, social enterprises are reputed for being stakeholder-oriented organisations by Low (2006), as they are owned by the community instead of shareholders as with a traditional enterprise by Pearce (2003)” (SMITH, R., BELL, R. and WATTS, H., 2014, p.17).

In addition to the necessary traits for a leader in entrepreneurship, favorable circumstances are also needed for the need to create a new product, service or business.

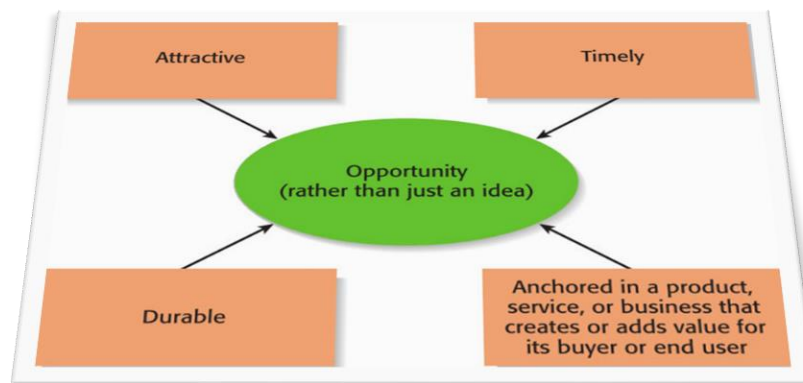


Figure 3 Four Essential Qualities of an Opportunity (Internet)

There are three ways to find opportunities like Observing Trends, Solving a Problem and Finding Gaps in the Marketplace.

The most important trends are Economic Forces, Social Forces, Technological Progress and Political and Regulatory Change. Continuous attention is needed in these areas to monitor change and keep it up to date.

Due to economic factors, favorable areas for starting a business or service can be chosen. Social trends change priorities depending on the behavior and focus of people and business. Advances in technology are a key basis for starting a business. The constant development and demand in the computer industry, the growth and renewal of social channels on the Internet, the development in the development of biotechnology is developing at an extraordinary pace. Political and regulatory changes also provide a basis for opportunities as an example of this is Palantir “At Palantir, we build software that lets organizations integrate their data, their decisions, and their operations into one platform. Our software empowers entire organizations to answer complex questions quickly by bringing the right data to the people who need it” (Palantir, 2020).

When a problem is found, it is quite adequate to start looking for opportunities to solve or improve it. Finding a solution to deal with problems and needs can be based on personal experience, intuition, chance and lead to a possible business perspective.

The third approach to identifying opportunities is to find a gap in the market, usually for a specific group or need, which is not initially of interest to large retailers and manufacturers, but may subsequently prove to be a profitable business opportunity for mass production.

“A new ‘value capture model’ based on game theory aspires to replace Porter’s competitive forces frame- work. The power of his five competitive forces defines the opportunities of a firm” (JOHNSON, G., WHITTINGTON, R., SCHOLES, K., ANGWIN, D. and REGNÉR, P., 2017, p.88)

The choice to change or launch a new product or service is also crucial. When preparing a change, the appropriate time should be chosen to positively affect the values “The time available for change can differ dramatically. A business may face immediate decline in turnover or profits from rapid changes in its markets. This is a quite different context for change compared with a business where the management may see the need for change as

years away and have time to plan it carefully” (JOHNSON, G., WHITTINGTON, R., SCHOLLES, K., ANGWIN, D. and REGNÉR, P., 2017, p.473).

With the advancement of technology and the available comprehensive information from the Internet, people have an exceptional opportunity to develop their potential and generate ideas in areas that are of interest to them depending on age, experience, knowledge or skills. There are a number of channels for information on products or services created by entrepreneurs in various fields, where you can get an insight into what is happening at the moment like Entrepreneur Media, BBC-Entrepreneurship, which is an exceptional opportunity to stimulate people with potential in entrepreneurship. Therefore, we can address strategies and small business with two questions by Hofer (1975) “What business(es) should we be in? How do we compete in a given business?” (Carter S., Jones-Evans D., 2006, p.407).

When developing strategies for implementing and marketing an idea or service, it is important to build on theories. One of the directions is presented by Kisfalvi (2002) "The strategy chosen by the owner-manager is likely to reflect the personal priorities and goals of the owner-manager" (Carter S., Jones-Evans D., 2006, p.408), This theory should not be seen as negative given that this idea is inspired by a desire or problem that the person wants to solve or improve. Drawing on Stevenson and Gumperr (1985) “Small businesses also differ from large businesses in their perception of opportunities and their commitment of resources to new opportunities”(Carter S., Jones-Evans D., 2006, p.406). When starting a small business, not everyone has the opportunity to invest large financial capital, which inevitably makes renewal and change more difficult, but on the other hand there is an opportunity to deploy and attract investors with a good idea and a well-chosen strategy.

Drawing on the example of the BBC's weekly The Boss choosing Justin McLeod, founder and chief executive of the Hinge dating app.

An extremely current idea for everyone from all over the world. Due to economic, social and personal factors, it is increasingly difficult to find two people who share views and ideas about the world. With such a platform where you have the opportunity to weed out negative traits for a certain person and find the same interests as music, environmental protection, healthy eating and more. In this way you increase the possibility to meet a soulmate with whom you find common interests. So, this idea caused by a personal problem realized in 2012. "Today Hinge has about 5.5 million users around the world, and reported annual revenues of \$ 5.2m (£ 4.1m)" (FINLEY, S., 2020).

In this case we can conclude with “Crant (1996) proposes that a proactive orientation indicates that individuals create their own environment and can be considered as a factor in intentional and direct change of current circumstance” (GREEN, J. and BINSARDI, B., 2015, p.21).

Conclusion

Making a choice every day depending on the goals we set is the beginning of entrepreneurship depending on the environment, economic, social and personal factors. The desire and passion for change unlocks ideas in individuals and companies based on theories, models, strategies as we increasingly gain experience in the mechanism of presentation and application of a product or service. Communication channels, social networks create an opportunity for quick contact with like-minded and competent people. Turning an idea into a business reality and sticking to it “A number of entrepreneurial intention syndromes have been sourced, they

include: eureka, if-only, misfit and moonlighter, identified by Birley (1996) and the unfriendly push and no alternative by Beaver and Jennings, (2005)" ((GREEN, J. and BINSARDI, B., 2015, p.21).

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