

ASSESSMENT 1: ENTREPRENEURSHIP

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Executive Summary

This report is focused on the entrepreneur's performance in the organization so that this may help to know all the advantages of the business. This report is covered with a critical discussion of the important parameters that may be able to help the business for getting more engagement through the organization. There have a huge difference between a for-profit organisation and a non-profit organisation based on their beliefs and values. For-profit organisations have a very particular, described customer and they target with its service and products. The non-profit companies receive a significant tax deduction from the government. In this case, three different theories, namely, “Market Failure Theory”, “Contract Failure Theory”, and the "Theory of Social Exchange" have been analysed with respect to the topic.

Table of Contents

1. Introduction	4
2. Critical evaluation of every parameter that is important for entrepreneurs.....	4
Traits	4
Characteristics	5
Attributes.....	5
Motivations.....	6
3. “Differentiation between ‘for profit’ and ‘not for profit’ small organizations”	7
Conclusion	11
References.....	12
Bibliography.....	15
Appendices	17
Appendix 1: Differences between for profit and non-profit organisation	17

1. Introduction

Entrepreneurship is the capability and preparations to improve, continue and organize a business operation along with its unpredictability in order to earn a profit. The purpose of the study is to evaluate knowledge and concept about entrepreneurship and enterprise from a different perspective of entrepreneur, intrapreneur, policy maker and support provider. The entrepreneur explains someone who has the capability and willingness to build, succeed and administration of a startup organisation along with risk to make a profit. In economics, the enterprise's profits that an organisation's entrepreneur turns with a mix of natural resources, labour and capital.

2. Critical evaluation of every parameter that is important for entrepreneurs

Traits

An entrepreneur has that power to create and able to give growth to the business through creative ideas and many other important factors. Entrepreneurs act as a key for increasing the income through the growth of the business as well as being able to give benefits to the organization (Abbasianchavari and Moritz, 2021). It is the responsibility for the entrepreneurs to create strong leadership bonds with qualities and need to be highly motivated by own self to provide motivation to all the other employees. Entrepreneurs need to have basic and proper knowledge of ethics and integrity, which is able to help the business for getting benefit from the other competitors (Tiba *et al.* 2019). Successful entrepreneurs are always ready to take risks and not afraid of the fail of the work, though entrepreneurs are very good at decision making which helps the organization to get more engagement with the other people.

It is the responsibility of the successful entrepreneur to know the factors, which are unknown to them, and also to know the proper details about the information of the organization. Entrepreneur likes to work with difficult challenges and they can able to give good result through creativity and many other factors (Lubberink *et al.* 2019). The responsibility of these people in the organization is very important to give innovation in the work process so that it can able to give

good results in the business. An entrepreneur has that power to identify the commercial need of the related organization and give a proper idea to the business for a successful result.

Characteristics

A successful entrepreneur can able to give a good result in the business performance to improve the work process, which helps the other employees to know about the organization. Creativity is the main thing for the successful entrepreneur, which helps the business to earn more profit through the business (Vallaster *et al.* 2019). This creative process helps in the work to get solutions to the every problem and able to help the other employees for the better benefit in the business. "Professionalism" is another main quality of successful entrepreneurs that can able to give good benefits to the business and able to gain more engagement through different processes (Anjum *et al.* 2021). Use of this process in the entrepreneur people can get good responsibility idea and can able to achieve self-discipline that helps the business to earn more profit.

"Risk-taking ability" is very essential for the entrepreneur so that without any kind of risks there is no chance to know about the unknown factors of the business. Good entrepreneurs are ready to invest time and cost for the business so that this may able to help the organization to create many innovative things through this process (Ren and Jackson, 2020). Passion and planning are very important for the successful entrepreneurship for the organization as it may be able to give good results in the business. Planning is very important for a strategic management in the performance of the organization and through this planning process, the organization can able to achieve the objectives of the business.

Attributes

A successful entrepreneur can able to give a good impact on the organizational business so that these people can able to give a good benefit to the business. A good entrepreneur needs to adopt all the good ideas for the growth of the business and needs to adopt all the ideas about the organization (Bergman and McMullen, 2022). Knowing the proper details of the business and applying all the factors in the work process can able to help the entrepreneurs for getting more benefits in the business. Developing social engagement through the process of building

relationships among all the employees and hiring proper and appropriate talents for the organization that can able to spread the business very fast (Barberá-Tomás *et al.* 2019). Successful entrepreneurs must be open-minded to adopt all the new features and all the new processes for the better growth of the business as it may able to give very well results in the business.

Organizations can able to get more benefits through the proper use of the entrepreneurship in the business so that the employees of the organization may be able to get more chances to increase the business. As per the opinion of Bolz and de Bruin, (2019), Resilience refers the process by which the entrepreneurs can able to adopt the successful process of getting more difficult challenges based on the social performance of the employees. This process helps the entrepreneurship process to be more engaged with social people so that social engagement can able to help the business of the organization.

Motivations

"A successful entrepreneur" can able to provide motivation to the other employees of the organization so that the creative process of the work and becoming motivates the other employees interested in the work process. An entrepreneur can able to give a good result in the business to achieve the goals of the organization and able to reduce the risk factors of the organization (Bansal *et al.* 2019). The motivation process can able to provide a good impact on the employees of the organization so that this process helps to get more engagement in the business through the social environment.

The process of this entrepreneurship in the organization helps to enhance the performance of the employees as well as helps to gain more customer engagement. As per the opinion of Long *et al.* (2020), this process helps to develop the relationships between people and this relationship helps to innovations in the work process. A good relationship helps the business to know the needs of the customers as well as helps to know the benefits of the organization, which is provided by the use of this process. Giving motivation for the work is the main task for the good entrepreneur so that this may able to help in the growth of the organization.

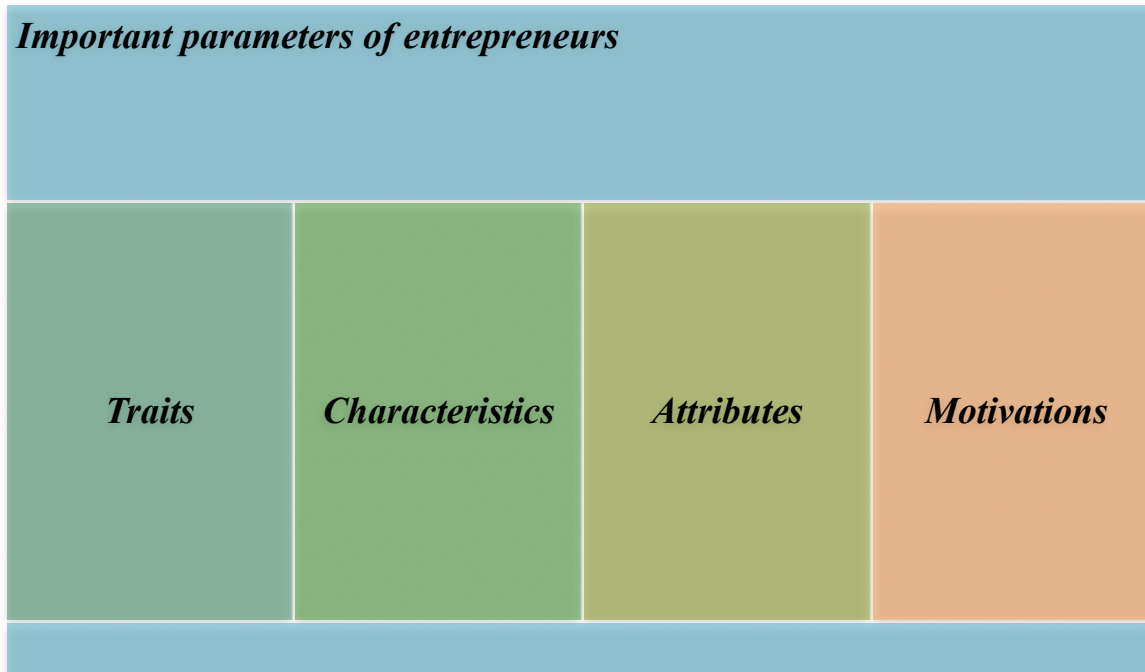


Figure 1: Important parameters of entrepreneurs

(Source: Self-Created)

3. “Differentiation between ‘for profit’ and ‘not for profit’ small organizations”

The most remarkable difference between for-profit organizations and non-profit organisations pertains to their purpose. Non-profit organisations have a social operation when the for-profit organisations focus to offer services and products that are worthwhile to the customers and produce revenue (Doern et al. 2019). Non-profit organisations accept particular tax breaks rather than for-profit organizations. There are a number of idealistic and functional differences in their values and beliefs. The differences are funding, customers, purpose, culture, leadership and taxes (Olanrewaju et al. 2020). One of the major differences between non-profit organisations and for-profit organisations is funding in which they fund capital for their capitals. For-profit organisations find investors to support the beginning of their organisation and put it in development. Generally, these investors accept a profit share built in return for the investment. Non-profit organisations find fixed investors rather than their investments in the enterprise.

Organizations provide money to the non-profit organisations to receive a portion of the profit. This is a true donation than any investment.

The purpose is the main difference between a nonprofit and a for-profit organisation. For-profit organisations have a very particular and target customer that the enterprises target their service and product to the customers and build a profit (Wadhvani et al. 2020). A non-profit company's purpose is to give a benefit and service to the society to make a profit with no intention. Otherside, a for-profit organisation focused on developing the social character of their society and not on earning money. Customer is one of the main differences between a nonprofit and a for-profit organisation (Audretsch and Moog, 2022). For-profit organisations have a very particular, described customer base they target with its service and products. Many organisations perform large research and examination to search for their ideal consumer and allocate resources to assure that a division of the population understands about the organisational products and services (Hinton, 2020). Non-profit organisations generally have a much wider customer base. Most of the organisations appeal to a business market that involves possible investors, the society, the non-profit services and the customers who would buy the nonprofit's product, and services, shareholders and volunteers who are connected to the organization.

Culture is one of the major differences between a nonprofit and a for-profit organisation which belongs to their beliefs and values. The organisational culture to a for-profit organisation is focused on the best-developing profits and sales (Cordery et al. 2019). On the other hand, in a non-profit company, the culture is more society-minded. Instead of conventional ways to earn more money, volunteers, leaders and employees cost time for brainstorming ways in order for them to get advantageous for their society and enhance the social efficacy of their company's efforts (Hermida and Young, 2019). Taxes is one of the big difference between these organisations. Tax law differentiates significantly between non-profit institutions and for-profit organisations. For-profit organisations pay their taxes on their business attempt and profits as specified by the state and federal government in most of the cases. The non-profit companies receive a remarkable tax deduction from the government (Komatsu et al. 2020). They also receive taxation advantages that are not obtainable for for-profit organisations. This is always the

best to ask a tax professional for up-to-date and implementable data for the situation [*Refer to appendix I*].

Leadership is one of the large differences between a non-profit and a for-profit organisation. The leadership group that supervises the functions of the organisation differs significantly from a for-profit organisation to a non-profit organisation. The top business leaders have a firm and significant financial stake for the organisation's success (De Silva and Wright, 2019). The team of leaders could be a single holder, a collection and owners of stockholders in the organisation. These leaders are worried primarily about enhancing the organisation's profits. Most of the organisations in the business market that involves investors are the society and the buyers who would buy the product, and services, shareholders. The leadership committee of an organisation is a "board of directors" who obtain no financial advantages from their attachment to the organisation. On the other hand, for-profit organisations guide the company by anticipating the organisation reaches the outlines and search paths to develop society's donations, identification and outreach (Randhawa et al. 2019). Most non-profit companies are tax-free, so they are needed to file data about the business and financial practices with federal and local companies for accountability purposes. For-profit organisations are not needed to file accountability information because of they give taxes which is based on their profits and earnings.

Theoretical Analysis

There are several theories of non-profit organisations that help in explaining the aspects of the businesses and how they are designed to support and cater to the main elements of a society or community. Considering the "*Market Failure Theory*", all markets, including SMEs, are known to have appropriate supply systems for private goods, and the products that are generally consumed by people (Learningtogive.org, 2023). However, these SMEs can face difficulties in providing goods and services that are either collectively or publicly consumed, such as environmental air, social safety and protection, along with national defence. This is because all these collectively consumed products and elements exist in a manner in which people who are not found to pay for them cannot be barred from using or experiencing them.

Another relevant theory for this analysis would be the "*Contract Failure Theory*", which can be also related to the business sectors that are made for profit only. In this case, this phenomenon of contract failure occurs because of the consumers being unable to understand the actual costs of the product or service and may even be unaware of the quality of the service or the product (Young, 2021). It may be a result of the service or the product processing being complex and the common population might not have the academic or practical knowledge of the systems. Furthermore, considering this case, at times the end users or the customers are often barred from having a detailed idea of the process, or may not be an end user, thus being unable to analyse the perceived or actual quality of the products and services.

This, on the contrary, promotes the advantages of non-profit businesses over profit-only businesses. This is because people are able to trust the non-profit SMEs more as their main aim is the betterment of society and the people, by serving them to the fullest without seeking profits and personal gains. Furthermore, in the context of entrepreneurs, and their values and beliefs, there are other theories that can be aligned with the analysis of the differences between the "for-profit" and "not-for-profit" businesses. Usually, as per the "*Theory of Social Exchange*", Max Weber stated that all businesses are bound to be based on a particular or a range of "ethical value systems" that is related to the particular society the business is aimed at (Weber et al. 2022).

In this case, according to this aspect, the business can make use of ethical values to generate business growth and reputation among the population at large. According to the theory, the major aspect would be the treatment of the "protestant ethic" and the "spirit of capitalism", where the beliefs of the people, along with the impacts of religion are also to be considered for influencing the entrepreneurial culture (Economicsdiscussion.net, 2023). In this case, if a business aims to do good for society but does not consider the religious sentiments of the population, then the business might not be able to have the desired trust from the target audience. Thus, ethics, sustainability, public and religious sentiments, along with a sense of trust are also integral to both non-profit and for-profit businesses, thus establishing a common link among the differences.

Conclusion

From this ty, it is concluded that entrepreneurship is the potentiality and preparations to grow, continue and assemble a business operation along with its volatility in order to earn a profit. There are several impractical and functional differences in their values and beliefs. The distinctions are funding, customers, purpose, culture, leadership and taxes. A for-profit organisation demanded on developing the social components of their society and not earn money. Other side, a non-profit company's demand is to give an advantage and service to the society to make a profit without any profit. Culture also varies among the non-profit and for-profit organisations. Tax law differentiates significantly between non-profit institutions and for-profit organisations. The non-profit companies receive a significant tax deduction from the administration of the area or government.

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Appendices

Appendix 1: Differences between for profit and non-profit organisation

DIFFERENCES BETWEEN NONPROFIT AND FOR-PROFIT ORGANIZATIONS		
FACTOR	NONPROFIT	FOR-PROFIT
Ownership →	None (the public)	Shareholders
Primary mission →	To provide services needed by society	To make a profit for shareholders
Secondary mission →	To ensure there is a surplus (revenues greater than expenses) so the nonprofit can continue its mission	To provide goods and services in a way that sustains the company
Revenue sources →	Contributions, grants, membership dues, program revenue	Sales of products or services, investment income
Workforce →	A mix of paid staff and volunteers	Paid employees
Accountability →	Accountable to the public; must file annual information returns with the federal and state governments	Accountable to its shareholders; must file annual tax returns with the federal and state governments
Tax status →	Exempt from income taxes if 501(c)(3)	Corporation (owners) subject to income taxes

(Source: <https://skylearning.com/7-differences-between-nonprofit-and-for-profit-organizations#:~:text=The%20most%20significant%20difference%20between,also%20receive%20certain%20tax%20breaks.>)