

Entrepreneur Report

Michelle Mone

Title: Definition of an Entrepreneur
Lecturer: Chris Thomas
Student: Melissa Duffy
No: P1708486

Summary

The aim of this report is to define an Entrepreneur and to understand what makes them an Entrepreneur. Lady Michelle Mone was the founder of the International lingerie brand, Ultimo, and is considered one of the UK's most successful female Entrepreneurs (michellemone.com, 2018). She has been used throughout this report to demonstrate some of the key qualities and attributes that have helped earn her this title. Many experts have attempted to define the term entrepreneur but have done so without success because of its complexity. Some of these theories will be discussed in this report as well as an alternative viewpoint from three of the main pioneers of this subject: Cantillon, Say and Schumpeter. By the end of this report, the reader will have a better understanding of what attributes and motivations made Lady Michelle Mone a success and why she can be justified as being one of the UK's most celebrated entrepreneurs (michellemone.com, 2018).

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1. Introduction – Who is Lady Michelle Mone? 191

Lady Michelle Mone is a Scottish entrepreneur and was born in Glasgow on the 8 October, 1971 (Bar, 2014). Mone is the founder of the International lingerie brand, Ultimo, which was started back in 1996 under MJM International (www.mjminternational.com). The idea evolved from the simple experience of wearing an uncomfortable bra to a dinner/dance event (michellemone.com, 2018) that has led her to becoming the success that she is today. It was at that moment that she realised she could improve the design of the bra. After reading a magazine article about a silicone product while on holiday, she approached the company for its European licence to use the product in her bra (guardian, 2010). After three years of research and development she launched, Ultimo at one of London's high-end department stores, Selfridges. The company grew to become a multi-million pound business with her designs still being sold in department stores worldwide (michelle.com, 2018). However, the road to her success has been far from smooth and the pressure of trying to build a business and be a good mother brought her marriage and her health to the edge (Mone, 2016).

This report will discuss some of the theories regarding entrepreneurship and will consider some of the motivations that made her one of the United Kingdoms most celebrated entrepreneurs (michelle.com 2018).

2. Definitions

2.1 Enterprise and Entrepreneurship

Because of its complexity and the range of meanings these terms can have, it is agreed that these concepts can comprise of several dimensions'. However, the "intention to start a business" (Bird, 1988; Krueger & Brazeal, 1994) is the core of most definitions. A broader definition looks at the qualities and competencies of the individual.

Wickham (2006) argues that entrepreneurship is a style of management in which a manager is willing to venture: to create change and to pursue opportunity rather than maintain the status quo . According to Wickham, this type of entrepreneur is always looking for opportunities.

2.2 Entrepreneur

For many, an entrepreneur is simply a person who owns and leads a business (Collins dictionary, 2010). However, Julien would argue that a large number of elements would need to be taken into consideration to help define an entrepreneur (Julien, 1998), Similarly, Gartner has described an Entrepreneur as "the founder of a new business, or a person who started a new business where there was none before" (Gartner, 2010). Furthermore, it has been defined as those who develop a niche in the market or a strategy to satisfy a need (Garfield, 1986) whereas Schumpeter describes an entrepreneur as someone willing and able to convert a new idea or invention into a successful innovation (Schumpeter, 1976). Therefore experts have agreed that it is complex and that other elements should be taken into consideration.

It is clear that Mone possessed many of these characteristics. Firstly, she lead the business to success because of her drive and determination. It was also her innate instinct to spot an opportunity and act on it which has been a contributing factor towards her success today.

3. Understanding Motivational using Theory

Many experts have attempted to give a clear definition of the term entrepreneur and entrepreneurship. But have done so without success due to its complexity. Although most theories would argue the driving force of an entrepreneur and the main characteristics of entrepreneurship, they all agree that it is a distinct concept and is a central factor of economic activity. These theories have been applied to Mone in order to understand her motivations and justify why she can be considered one of the United Kingdoms most celebrated entrepreneurs.

3.1 Economic Factors

Some theorists define entrepreneurship from an economic prospective. Richard Cantillon defined an entrepreneur as “an agent who buys a product at a certain price to combine them into a new product”. Jean Say agreed with this but further added that “the entrepreneur brings people together to build a productive item”. Frank Knight went on to add another dimension to Cantillon’s theory by saying that ‘risk-taking’ was a central characteristic of entrepreneurship and is an entrepreneurs ability to allow for uncertainty and act in anticipation of these events. Kirzners theory was more about a one’s ability to spot an opportunity whereas Shackle considered the creative aspect. He considered an entrepreneur to be creative and having the imagination to operate in an uncertain environment.

While Mone possessed certain aspects of all these theories, Kirzners theory is very relatable. Mone proved that anyone can be an entrepreneur and that there are no barriers. She was able to spot an opportunity and acted on it. Despite growing up in an underprivileged part of Glasgow, Mone overcame the physical violence of bullying, financial difficulties within the home and the emotional trauma of losing her brother and her father becoming paralysed. From the simple experience of wearing an uncomfortable bra one evening, she spotted an opportunity and acted on it. As a result, she has built an empire worth £50m and has become one of the UK’s most well respected entrepreneurial woman.

3.2 Psychological Factors

This area focuses more on the individual and the mental or emotional element that drives them. As McClelland explains, this type of person is driven by the high need for achievement (HNAch). Some of their key competencies include being proactive, show initiative and a very assertive. They also have the ability to see and act on an opportunity (McClelland, 1961). Brokhaus agrees they are very self confident and have a high internal locus of control where they believe their actions can influence the external world (Brokhaus). Furthermore, Walker goes on to say there is a need for independence (Walker,) whereas Schere looks at the ambiguity tolerance of this person. Schere says they will generally have an innate ability not normally found in others.

It was clear that Mone had an innate instinct for entrepreneurship which saw her quickly make her mark on the world (michellemone.com, 2018). It was her enterprising spirit, pure ambition and saavy know-how that got her to where she is today. She spotted an opportunity and acted on it and didn't let anything stop her. Mone quotes "everyone is capable of being a winner if you put your mind to it; you don't have to be born with a silver spoon in your mouth to succeed in business". Although she left school at the age of 15 with no qualifications and from having nothing, she got to where she is today through hard work and determination (Hawken, 2019). The road to success has been far from smooth and the presume of trying to build a business and be a good mother brought her marriage and her health, to the edge. But she fought back with strength and determination, striving to make Ultimo a success (Hawken, 2019).

3.3 Social Factors

The sociological theory relates to the various social contexts that enable the opportunities that entrepreneurs leverage. It considers the cultural environment and the social attitudes that influence entrepreneurship and the entrepreneur. Some behavioural influences include the family background (Mancuso), education (Curran) and gender (Shaw). Max Weber's theory considers religion to be the major driving force of entrepreneurship and societies expectations regarding religious beliefs, taboos and customs. Weber goes on to say that the right combination of discipline and an adventurous free-spirit define the successful entrepreneur.

Mone says “there is no doubt in her mind that she got to where she is today because of where she grew up. Her drive came from looking around her and wanting more” (Mone, 2016).

3.4 Innovation Theory

Joseph Schumpeter’s theory describes an entrepreneur as having three major characteristics which are innovation, creativity and foresight. However, Schumpeter places more emphasis on innovation. Similarly, Peter Drucker’s theory also said that innovation was the key to entrepreneurship although using existing and new resources to develop something new and entrepreneurial behaviour were also important.

Mone is a great innovator where she turned an initial idea and concept into one of the UK’s leading lingerie lines for over two decades before selling it onto one of the world’s largest manufacturers of intimates, MAS Holdings. Since then, she has further developed her business acumen to include interiors, jewellery, property, tech to public speaking. With new ventures continually on the horizon, Mone shows no sign of slowing down in the business world (Mone, 2016).

3.5 Need to Achieve Theory (NAch)

David McClelland’s theory takes into account the motives of the entrepreneur. He identified (1) the need for achievement (2) the need for affiliation and (3) the need for power as the three main motives although he believed the first two motives drive entrepreneurship. McClelland considers entrepreneurs as people who dream big and do things in a better way. It is more about the NAch rather than the monetary incentive.

Since the launch of Ultimo, Mone quickly established herself as one of Scotland’s finest exports, winning the World Young Business Achiever Award in Florida in 2000 as well as Business Woman of the Year at the Corporate Elite Awards in London. Not only has Mone been in the presence of former US President Bill Clinton and Mikhail Gorbachev that led onto her involvement of setting up the Womens Enterprise Project in the Middle East. But she was invited by Prince Charles to join the board of Directors for the Princes Trust (Hawkins, 2017). It was her involvement with the Womens Enterprise Project where she realised her experience and wisdom could transform lives and inspire others in the face of adversity. (Mone, 2016).

3.6 Entrepreneurial Motivation - Model

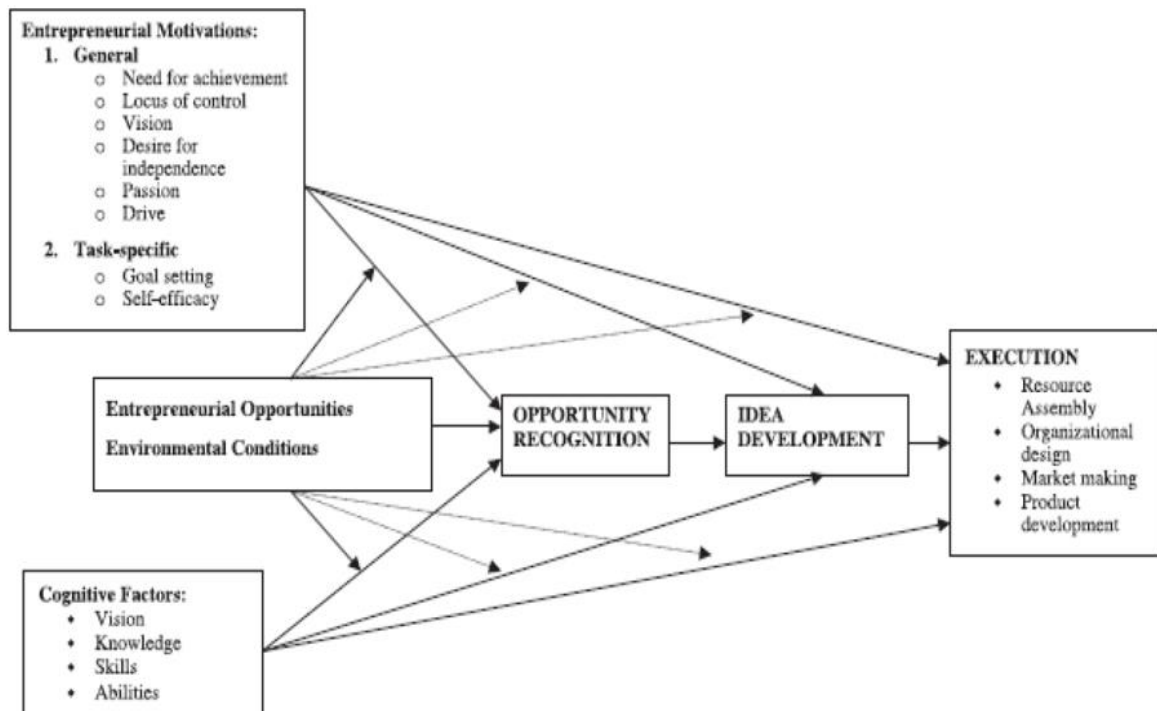


Fig. 1. Model of entrepreneurial motivation and the entrepreneurship process.

Shane et al (2003)

To summarise, this model can be used to assimilate the motivations and processes that was used by Mone as follows:

- (1) **Recognised an opportunity** – Through the discomfort of a an item of clothing.
- (2) **Developed the idea** – After reading an article from a magazine about a silicon product while on holiday, she saw an opportunity to develop her new product.
- (3) **Execution** – Approached the company for the European license to use their product to develop her new product. She then designed her product and had it made. It was her marketing experience and determination to get her product into one of the best department stores in London, Selfridges.
- (4) **Entrepreneurial Motivation** – Mone possessed many of the general motivators. Her NACH, locus of control, vision, passion and drive was motivated by her several factors, namely, her surroundings, the physical violence of school bullies, the emotional stress of financial difficulties at home and the tragic paralysis of her father.
- (5) **Cognitive factors** - Mone's vision was to help women look and feel their very best. It was this simple concept that helped Mone build her career and influence. However, she also had the knowledge skills and ability to carry this vision out.

4. Conclusion:

Lady Michelle Mone is a shining example of how true grit and determination can lead to global success (Mone, 2016). Piers Morgan, has also commented that “Michelle is proof that if you work hard and pursue your dreams, then those dreams can come true” (Morgan, 2016). It is clear that there are many contributing factors that define an entrepreneur and no one theory can apply to one person.

Lady Michelle Mone is one such person and there were many varying factors and influences that got her to where she is today. Mone is truly inspirational from her humble beginnings to becoming one of the most successful business and brand builders in the UK. (Mone, 2016). From Scottish entrepreneur, global speaker, designer, Innovator and Parliamentarian. She is proof of the old adage “its not how you start, it’s how you finish” (Hawken, 2017).

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