

Critically evaluate a range of entrepreneurial traits, motivations and characteristics using appropriate academic models and theories, further supported by examples of proven and successful entrepreneurs

Name : Alexandru Alin Minea

Student ID number : 2215123

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Lecturer's name : Charlotte Joyner

AI Acknowledgement

I acknowledge that on October 5, 2024, I checked my work for spelling errors using Grammarly (<https://www.grammarly.com/>). Grammarly just provided the document for spelling and grammatical checks; I didn't have to follow any instructions and could choose what I wanted to enter.amidst the problems it raised, to shift and the things I wanted to stay the same.

To be clear, neither the research nor the creation of this challenge involved the use of artificial intelligence (AI) tools. I certify that I haven't asserted any ownership over any content produced by AI. I certify that I have copies of the drafts, notes, and other materials I used, in case I need to provide documentation.

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1. Introduction

Entrepreneurial Traits and Motivations are extremely important in the development and growth of the person who chooses to start his own business. In fact, these are often the differentiator traits that set thriving entrepreneurs apart from those who can not seem to get off the ground or who fall flat on their faces (Kerr et al., 2018). This knowledge, substantiated by academic theory, gives us deeper insights into what motivate entrepreneurs to be successful in competitive and uncertain environment (Wang et al., 2016). The goal of this essay is to evaluate critically a number of key entrepreneurial characteristics including risk taking, innovation and creativity, resilience and persistence, and vision and long term focus. The report examines each one of these traits through the lens of academic models and then supported by real world examples of successful entrepreneurs.

2. Main Body

Risk is one of the leading traits of successful entrepreneurship. Entrepreneurs in the business world are never guaranteed positive outcomes and have to take the risk in order to succeed. According to Knight's Risk Theory, entrepreneurs are considered bearers of uncertainty and their propensity to bear uncertainty of uncertain results is important in their companies (Sakai, 2018). Prospect Theory also reveals the entrepreneur's tendency to weigh potential losses and gains differently than others and the way it leads them to make decisions based upon risk alone. Entrepreneurial risk taking is necessary because it enables them to take advantage of opportunities that others won't because they are afraid of failure or loss (Knight, 2016). If entrepreneurs were not willing to take risks, they would not be able to innovate, disrupt industry, or scale their businesses – all of which are about uncertainty.

Elon Musk, venture capitalist in SpaceX and Tesla, is a prime example of a risk taking entrepreneur. For longer than the years we spent together, which is to say in the 2000s, Musk invested most of his fortune in these companies, when success was far from guaranteed. In the case of SpaceX, Musk put his financial and reputational capital on the line to do something while many experts scoffed at what felt like an impossible dream. Like with Tesla, Musk has gone through almost everything – from production bottlenecks to doubt over electric cars in the market

– but he pushed forward with calculated risk that would change the automotive industry. Musk's approach to risk echoes Knight's Risk Theory, where he actively seeks uncertainty, something that comes with such high risk (which therefore comes with such high risk) (Knights et al., 2021). One of his biggest assets was how comfortable he was with taking big financial gambles, putting himself in a position to live off the uncertainty that comes with launching disruptive technologies.

Musk's risk taking is a bold, visionary approach, other entrepreneurs may take risk a more conservative way. For instance, Sara Blakely, founder of Spanx, Took risks by investing savings in develop a prototype for her product and market it without outside investors however she did it in a strategic and measured way. Blakely's product testing was thorough, including taking calculated risks which she tested her product thoroughly before scaling up. What this proves is that risk taking is a common entrepreneurial trait, but the way entrepreneurs assess and manage risk can be extremely different. He took a calculated, deliberate approach, contrasted with Musk's high stakes gambles, which show that entrepreneurial risk taking has no one size fits all. Ultimately you can define entrepreneurial success based on how much you are willing to risk—calculated risks versus bold risks and whether they paid off.

Innovation and creativity are two key character traits that fuel entrepreneurial success; which is ability of entrepreneurs to differentiate product and services in competitive market. Underlined in Schumpeter's Theory of Innovation is the so-called 'creative destruction', i.e. the process in which entrepreneurs inject novel, ground breaking innovations that completely change the market structure and valid existing market technologies, or business models (Bazhal, 2016). In this theory, this is a theory of how innovation is not just the ability to make incremental improvements to products or processes, but fundamentally the ability to change industries with new ideas, products or processes (Witt, 2016). In the short term, businesses can survive with adequate marketing or product differentiation strategies; however, entrepreneurs who put a heavy focus on the innovation process typically meet innovation success and develop a competitive advantage in relation to total product and service offerings over other companies (Moura et al., 2018)

If to be consider Steve Jobs as an example of an entrepreneur, he is exactly the man who has used the power of innovation and creativity to spew revolution upon many industries. As the co-founder of Apple, Jobs was a large part of developing new products such as the iPhone, iPod, and Mac that

did so by changing how people interact with products. It's what enabled Jobs to look ahead to see what would emerge in the way of needs, aligning with Schumpeter's Theory of Innovation. Because Jobs understood the power of technology but also imbued it with 'creativity'. For instance, the introduction of the iPhone changed the mobile phone industry from a utility based device to a converged multi faceted tool that integrated computing, entertainment and communication. Just as the iPod revolutionised the music industry by bringing digital music into the domain of the possible, HBO has pushed the envelope with regards to how we view reality TV shows. Jobs' inventions provide an illustration of this concept of 'creative destruction,' making industries seemingly irrelevant because past products and services become nothing more than legacy technology.

Entrepreneurs like Reed Hastings, founder of Netflix, are irreverent too — but to a much lesser degree — and are both creative and innovative, but in a much less disruptive way than Jobs (Shannon, 2016). The gradual process that Hastings' innovated streaming video content to had revolutionised the entertainment, especially in streaming content. Netflix went from a DVD rental service to a streaming giant while making their way there instead of coming in with something completely new. Sure, Netflix has upended the old 'cable television' model, but in doing so, its path to innovation wasn't quite as revolutionary as Jobs' (Challa et al., 2024). Entrepreneurship is often seen as driven by creativity and innovation, and Jobs and Hastings were no different, leveraging those ideas to build wildly successful companies; but their scale and immediacy of impact reveal that some disruption is different than others. Where Jobs' innovations are notable for their instantaneous, game changing effect on an industry, Hastings' shows that such gradual developments can yield transformational success, too. While ultimately innovation remains a key trait of entrepreneurs, how it is implemented based on the entrepreneur's vision and the market conditions in which they operate.

Important attributes of entrepreneurs that aid them to pass through the insurmountable challenges and failures during their journey. The word resilience is a synonym for the ability to bounce back after shortfalls, adapt to hard realities and still strive for the goal under attrition. Specifically, Angela Duckworth's Grit Theory posits that long term perseverance — or grit — is more important than innate talent to success (Duckworth et al., 2021). According to Resilience Theory, those who emerged with the capacity to bounce back from the challenges of entrepreneurship are predicated

for the inevitable emotional, psychological wear of entrepreneurship. For entrepreneur, the resilience is important as it can be seen as the turnaround to take a failure as a learning experience to fuel future success.

Oprah Winfrey is one entrepreneur who epitomises the very essence of resilience. Oprah grew up in deprivation, abuse, and rejection but those struggles brought her to the top of the Hollywood game. Oprah has had her share of professional setbacks— being demoted from her first TV job and watching her cable network fail, amongst many other things. But all that tells me is that resilience is a whole power thing (Muteswa, 2016). Duckworth's theory of grit fits Oprah's storey too: She has a deep and urgent hobby that spanned decades, media and telling storeys, along with an iron stubbornness that propelled her. Her resilience, therefore, also entails being able to adapt and evolve to overcome obstacles, from pivoting from traditional media to create her own network, and even more so succeeding to her own highest extent.

But former Starbucks CEO Howard Schultz faced financial disaster at the start of his career. Schultz first found himself struggling to raise money for his vision of turning Starbucks into a global coffee brand, but eventually persevered in pitching his ideas to investors until they were able to come up with the money to grow the business (Leduc, 2017). Schultz also showed resilience from rejection and money troubles — like Oprah — but his challenges were largely about getting money and convincing investors. On the other side were Oprah, who were faced with more personal, more systemic barriers (Bai, 2023). Both entrepreneurs are resilient but they bring a different type of adversity, from financial to personal problems. The ability to persist, adapt, and stay 'eyes on' to your long term goals was critical to their success in both cases, so in at least these entrepreneurial cases at least, the element of 'resilience' is a universal trait to successful entrepreneurial activity.

Entrepreneurs need vision and long term focus to steer businesses to a place where they are able to continue to grow successfully. When founders have a clear vision of what they want for the future, they can articulate a long term strategy that both supports their business goals as well as energises their team and stakeholders to work toward a common future (Cho and Lee, 2018). Under Visionary Leadership Theory, Leaders who have visualised a strong image of the future, can move others to believe and embrace a visualised future as an incentive to motivate and to commit.

Strategic management theory making parallel by endorsing the necessity of having a long term plan to be able to navigate complex markets and competition (Dhammika, 2016). This gives the long term focused entrepreneurs a chance to look into the challenges in far enough to adapt according to ever changing situation and make decisions to ensure that the growth is sustainable.

Entrepreneurship at Amazon is something everyone should strive for, like the power of long term vision held by one of the most famous entrepreneurs of the times, Jeff Bezos. Amazon has that famous storey of how Jeff Bezos began Amazon as an online bookstore but began with the idea that the company would grow to become a global e-commerce platform serving millions of customers across a wide range of products and services (Desai, 2021). Barkley's strategic foresight and his patience reinvesting profits back into the business, which didn't make money right away, allowed Amazon to sideline all of its competitors in the global e-commerce market. All of this points to Amazon's long-term focus, too. Bezos' interest is in making the company so competitive so innovative, so much bigger, so much faster growing — that people will stay on it for decades because they do not need to leave (Anderson, 2019). Forecasting trends and continuously adapting Amazon's offerings as well as staying dedicated to long term view fits with both Visionary Leadership Theory and Strategic Management Theory, which proposes visionaries innovation stimulates industry dominance.

In contrast, some entrepreneurs roll the dice on a quick profitable and rapid growth. For example, Mark Cuban, a legendary entrepreneur known for being fast on the trigger when it comes to big decisions and primed for discerning market trends, has created a handful of successful companies by pouncing on short-term opportunities and riding them for all they're worth (Raz, 2020). Cuban has done very well, but in doing so, he goes about things a little differently than Bezos, who is willing to risk short term profits for long term investment (Huse et al., 2022). Modelling this contrast emphasises that vision and long term focus is a good thing for entrepreneurs like Bezos, but not the only way to success. An entrepreneur has options of what strategy to take based on his or her goals, resources and market conditions (Rikap, 2022). While Amazon's success storey may not have lasted as long as some other businesses, the fact that Amazon survived the test of time speaks to the benefits of having a long term strategy, because it means they have created resources that can last through changes and allow the entrepreneur to build a resilient, innovative businesses able to compete in a multibrands world.

3. Conclusion

Finally, a key entrepreneurial traits, such as risk taking, innovation and creativity, resilience and perseverance, vision and long term focus, play very big roles in helping an entrepreneur succeed in business. The traits stand tested by relevant academic theories and exemplified by successful entrepreneurs like Elon Musk, Steve Jobs, Oprah Winfrey, and Jeff Bezos, and show how each contributes to business growth and innovation. Risk taking and creativity bring about the ends of market disruption and differentiation; resilience plays a role in entrepreneurs enduring the inevitable challenges; and vision serves as a roadmap to long term success. Although the approaches this took by these entrepreneurs varied, there was convergence of how they used these traits. For instance, Musk and Jobs are equally risk taker and innovators but the level of disruption varies and the aggressiveness of their methods. Oprah and Bezos are similarly resilient and show vision, however one works with an entirely different industry and situation. A comparison between these entrepreneurs reveals how these entrepreneurs display this trait in different contexts, that there is no one recipe for entrepreneurial success. The key seems to be instead a balance of traits adapted to specific industries and goals.

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