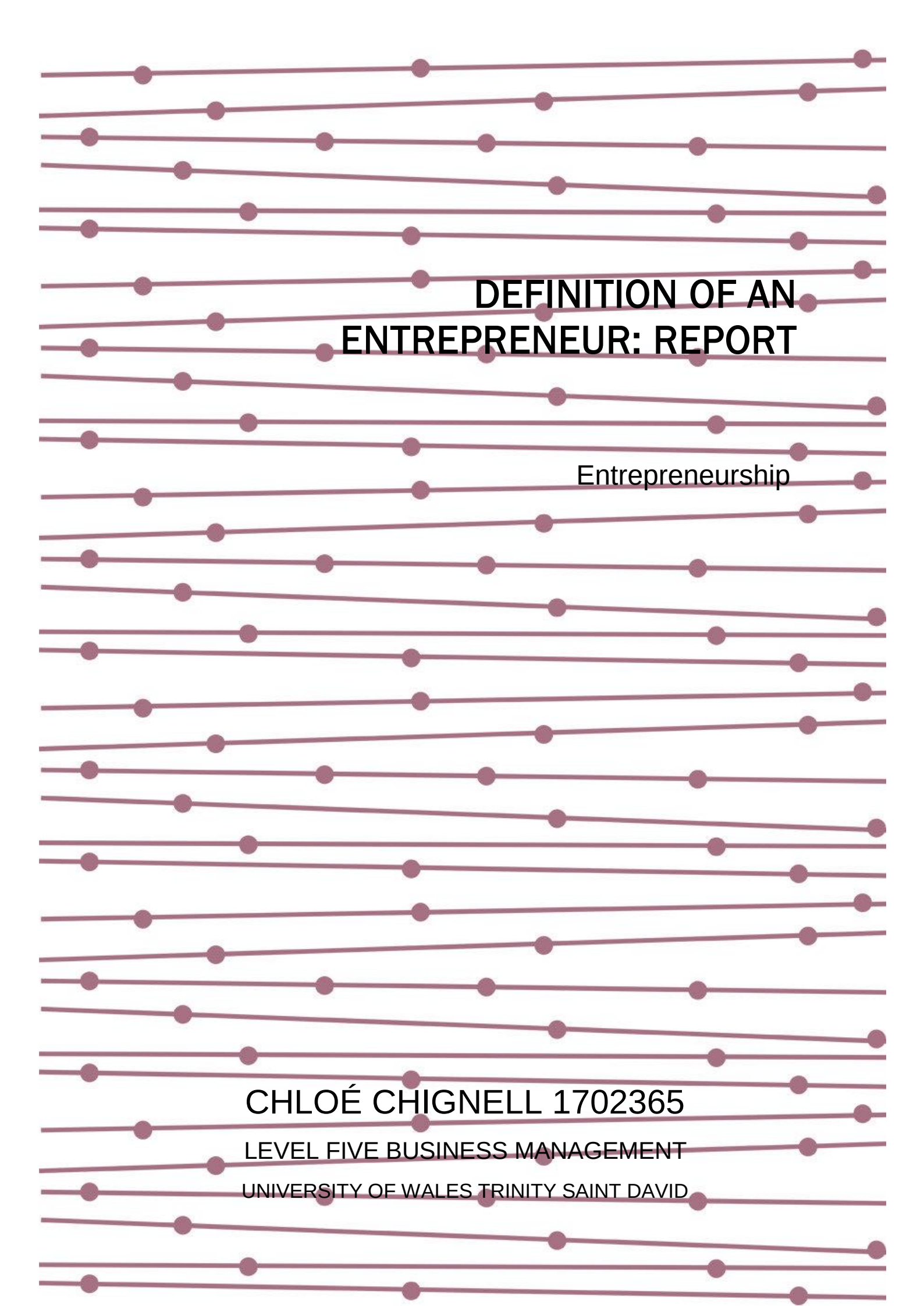


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DEFINITION OF AN ENTREPRENEUR: REPORT

Entrepreneurship

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LEVEL FIVE BUSINESS MANAGEMENT

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INTRODUCTION

Entrepreneurship is defined by Harvard as 'the pursuit of opportunity beyond the resources you currently control'. Defining 'an entrepreneur' it has become very subjective, leading to a few of the theorists completely contradicting each other. Krizner (Placeholder6) believes that entrepreneurship is all about recognising opportunities which are available, whereas Schumpeter (Placeholder7) believes that an entrepreneur creates their opportunities. What is agreed upon however, is that an entrepreneur can be analysed based on their personality traits, otherwise known as their motivations. There are three categories of entrepreneurship motivation theories; economic motivations, psychological motivations and social motivations

JON SIMON – PIEMINISTER

Jon Simon is the man behind the Bristol based company, pieminister. Pieminister are a pie company... The About Us section on the Pieminister website describes Jon's inspirations and motivations for the creation of the Pieminister brand.



Figure i – Pieminister logo
(Pieminister, 2019)

Whilst studying a semester abroad in Australia he realised that Australian pies are much better than British pies (Pieminister, 2012). When he returned to the UK, he wanted to change this. After winning some money on a game show, he bought and opened a pub in London called The Circle which became locally famous for having the best pub food on the south side (Pieminister, 2019). This pub is where he brought his girlfriend's brother, Tristan Hogg, in to be his chef, who later became the other founding member of pieminister. After this, the two of them bought a shop in Bristol and pieminister was born, with Tristan's culinary flare and Jon's Vision. The business has had great success as a simple pie and mash shop. But Jon's pie history goes back further than this, back to 1867, when Jon's great-great-great grandfather started the family pie tradition by making sauces, pickles and pies in London (Pieminister, 2019). This one pie shop has become many pie restaurants across the United Kingdom, as well as selling pie in supermarkets such as Waitrose and Sainsburys. During this UK take over, Jon had the idea to create the opportunity for restaurants to not only sell his pies, but be able to create them in house, to pieminister standards (Pieminister, 2019). Pieminister has been a hugely successful business, increasing their profits by about 30% each year (Pieminister, 2012).

ECONOMIC BASED MOTIVATIONS

Economic based motivations are when the entrepreneur is motivated by financial gain. Many say that to be an entrepreneur, financial gain needs to be your main motivation. This section is about the motivations which the economic conditions create.

RISK, UNCERTAINTY AND PROFIT

Frank H. Knight looks at how entrepreneurs' assess risk and uncertainty in reference to profit. Knight considers that an entrepreneur's constant goal is to be prepared for events which haven't happened yet, whilst taking risks to earn their profit. This is where the uncertainty, risk and profit lie. To put it simply, Knight's theory says that to make profit, entrepreneurs take risk in the uncertain future.

He says that there are two types of risk; insurable risk and non-insurable risk. Insurable risks usually the ones which are producing a profit. These are protected by getting the relevant insurance policies, whereas the risks which cannot be covered by an insurance need suitable safeguard. Some of these

non-insurable risks can be due to changes in demand, entry of competitors, political changes and depletion of raw materials. These are all factors which a business may need to rely on, which can be risky to trust as they can change quickly, with little notice. These non-insurable risks are called uncertainties by Knight and are an essential element of entrepreneurship.

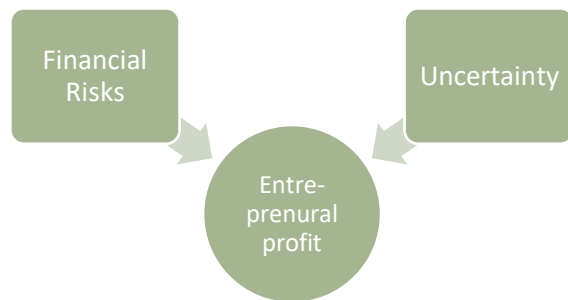


Figure ii – understanding Knight's theory

Jon Simon has taken financial risks, or insurable risks, in his previous business at The Circle and in Pieminister of buying property and renovating it into a food establishment. Both times were with new, start up businesses with no security of sales. He's trusted in uncertainty, taking un-insurable risks, in trusting that just selling pies is a strong enough business model. He's done this by moulding to the changes in society. With the growth of veganism, Pieminister has developed vegan and gluten-free pies for their restaurants and supermarkets. This captures an audience which was becoming more popular after being overlooked for so long. The combined risks of insurable and non-insurable has resulted in Pieminister's 30% increase in profit each year (Pieminister, 2012).

RECOGNISING OPPOTUNITY

A massive part of being an entrepreneur is recognising opportunity. Krizner (1973) wrote about opportunity recognition in his book, *Competition and Entrepreneurship*. He wrote that an entrepreneur can be anyone who is alert to profitable opportunities and acts as the middle man between an idea and the customer. They need to be knowledgeable about their area to be able to recognise and exploit their opportunities.

Jon shows that he is alert to opportunities when he found his first pieminister location, as talked about in his video interview 'the story of pieminister' (2012). It was a rundown building, on a rough street of Bristol and he proved the city council wrong who had such little trust in the location that they gave the premise to them for free for their first two years (Pieminister, 2012).

He shows that he is alert to opportunities in this interview (2012) as well when he is talking about how he joined the biggest market in the UK. From this market stall presence, he was able to gain contacts for festivals and it led to Pieminister being awarded their first Good Food Award. Jon has also led the company in bringing out a vegan and gluten free range, as talked about previously.

PSYCHOLOGICAL BASED MOTIVATIONS

The psychological approaches to entrepreneurship look at how the personality and characteristics of a person meets that expected of an entrepreneur. They focus on the mental and emotional elements which drive the individual. McClelland (1961) focus' on a high need for achievement, Brockhaus focus' self-confidence and a high internal locus of control, Walker focus' on a need for independence, Schere focus' on their ambiguity tolerance and Kets de Vries talks about entrepreneurs as 'deviants' or difficult employees.

SOCIAL DEVELOPMENT MODEL

The Social development Model by Wickham (2006) states that there are three levels to entrepreneurial motivations; the innate motivations, the acquired motivations and the social motivations. Wickham referred to entrepreneurship as a 'social phenomenon' as it is all based around the interactions between people. It is basically a style of management where the manager is adventurous in the opportunities they pursue. A manager who wants to 'promote change', rather than maintain the status quo (Wickham, 2006, pp. 15-16). Wickham also believed that a 'good entrepreneur' will never be happy with the now because they will be constantly perusing new opportunities.

Inate

- Intelegence and Creativity
- Personality
- Personal Ambition

Acquired

- Learning and Training
- Experiences
- Mentoring

Social

- Family
- Society
- Culture

Figure iii - elements of the social development model (Wickham, 2006)

Jon Simon meets these criteria of being an entrepreneur as he has been recognising and creating opportunities for himself and both the business' which he has run. For Pieminister he has made pies a trendy food, rather than being a basic pub classic. He has made them attainable for the modern eaters by offering vegetarian and gluten free ranges.

SOCIAL BEHAIOUR BASED MOTIVATIONS

The social behaviour approaches are relevant for entrepreneurs who are influencing their social environments, these types of enterprises are coined 'social enterprises'. These usually occur when the entrepreneur is passionate about part of their culture or identity. A social enterprise is simply when a passion for a social mission meets business knowledge. Although pieminister isn't a social-enterprise, they do promote quite a few charitable causes.