

Entrepreneurs: Facing challenges with dynamism

Entrepreneurship is more a matter of attitude than skill. Successful entrepreneurs exhibit the ability to recognise an opportunity, while it is still taking shape.

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Entrepreneurship is the process of creating or seizing an opportunity, and pursuing it regardless of the resources currently controlled. The dynamic process of creating incremental wealth generally characterises this process. In other words, it is the ability to create and build a vision from practically nothing. The American Heritage Dictionary defines an entrepreneur to be “a person who organises, operates, and assumes the risk for business ventures.”

Is everyone who runs a business an entrepreneur? What about the newspaper boy, cobbler, gardener? Is a “lifestyle” business, with no plan for growth or development, an entrepreneurial venture?

Can we call a person who inherits a business an entrepreneur? What if, given a small or marginal business, they take it to new dimensions? Are there entrepreneurs in large companies? How can a company promote “corporate entrepreneurship or intrapreneurship?”

Are franchise owners entrepreneurs? What is the appeal of franchise ownership? Is an entrepreneur necessarily a manager?

These are some of the questions that are often asked with regard to entrepreneurs and entrepreneurship.

Peter Drucker, author of *Innovation and Entrepreneurship*, says that anyone from an organisation can learn how to be an entrepreneur; that it is “systematic work.”

But there is a difference between learning how to be, and succeeding as an entrepreneur. When a person earns a degree in physics, he becomes a physicist, but if a person earns a degree in entrepreneurship, that wouldn't necessarily make him an entrepreneur.”

The question therefore is what really makes an entrepreneur. The checklists suggest we begin by examining our achievement motivation, by checking the

applicability of some suggested idea: desire to work autonomously; freedom from work routine; being one's own boss; boredom with the current job; financial desires, and a perceived opportunity.

Personal characteristics required are calculated risk-taking, pro-activeness, confidence in overcoming obstacles, focus, systematic planning, accurate self-assessment, flexibility, creativity, resilience, drive and determination, leadership, decisiveness, competitiveness, will-power, and self-discipline, comfort with the planning process, and working with others.

One of the very well appreciated definitions of entrepreneur is given by Joseph Mancuso. It goes:

“It is not the critic who counts, nor the observer who watches from a safe distance. Wealth is created only by doers in the arena who are marred with dirt, dust, blood and sweat. These are producers who strike out on their own, who know high highs and low lows, great devotion, and who overextend themselves for worthwhile causes. Without exceptions, they fail more than they succeed and appreciate this reality even before venturing out on their own.

But when these producers of wealth fail, they at least fail with style and grace, and their gut soon recognises that failure is only a resting place, not a place in which to spend a lifetime. Their places will never be with those nameless souls who know neither victory nor defeat, who receive weekly paychecks regardless of their week's performance, who are hired hands in the labour in someone else's garden. These doers are producers and no matter what their lot is at any given moment, they will never take a place beside the takers, for theirs is a unique place, alone, under the sun. They are entrepreneurs!” This is the dynamism an entrepreneur should possess.

Much has been said about entrepre-

neurs' dreams. The entrepreneur's dream is almost a kind of madness, and it is almost as isolating. When they see something new, their vision usually isn't shared by others. The difference between a crazy person and the successful entrepreneur is that the latter can convince others to share the vision. This force of will is fundamental to entrepreneurial success.

Entrepreneurial career is indeed challenging given the degree of risk and uncertainty that it is associated with. Entry of several successful young entrepreneurs today has demonstrated that there is immense potential for growth in this career. And precisely because of this many graduates of B-schools, technology and other professional institutes today turn towards entrepreneurship.

Of course there have been failures also. But the reason for failure is generally one, or a combination, of the following: lack of entrepreneurial temperament; lack of financial backing because of overly rosy projections; a wide range of management shortcomings, including inadequate financial controls, liberal customer credit, inexperience, and neglect, and a failure to reach the “critical mass” required in sales volume and profitability due to competitive disadvantages or general industry weakness.

While some types of failure are entirely outside our control, for example, those triggered by natural calamity or unfavourable environmental factors, other types of failure can be recovered from if we “learn our lesson.”

The most common explanation for these is that “it seemed like a good idea at that time.” Other reasons include: striving for too big a kill; a weak business plan, or no plan; a messy business concept; looking past the flaws in a business concept because it is a business we want to be in; and, feeling that an idea is foolproof. Often, these are not big failures of an entrepreneur as the consequence of a market experiment that simply does not work.

Some types of failure are indicative of a person not being entrepreneurial enough. The question therefore one may



ask “Are there any safeguards against failure? No, but there are some general approaches that can greatly minimise the risk. These require a commitment to prepare well in advance.

These preparations include knowing one's limitations, and setting about filling knowledge gaps; getting experience in the business one expects to enter, while learning more about it, and waiting for the opportune time to go out on one's own; developing a support network - professional and personal; and starting with a sound financial plan. As start-up time nears, one must research the market, know the exact numbers and how to gather them meaningfully, and know what actions this information indicates.

In an article published in *Wall Street Journal*, Ken Elias offers some suggestions to avoid failure, like:

- Don't budget your expectations.
- Nothing happens according to plan; things happen not incrementally but in bundles. Sales and expenses come in lumps; in cash flow, plan for the worst.

- Beware of cheap help.
- Inexperienced or incompetent employees consume your precious time in guidance and damage control. Good employees make good impressions.
- Talk the vision, sell the reality.
- Talk about what you see in the future, but only sell what you can actually deliver.
- Even if the concept is right, it won't fly if the strategy is wrong.
- Acknowledge that it is more likely than not for your strategy to be wrong, and be prepared to change it.
- Find customers that are ready to buy today.

Successful entrepreneurs exhibit the ability to recognise an opportunity while it is still taking shape. These are often based on broad trends, which may be: demographic, such as, creating opportunities in sociological developments, like the “social sector entrepreneurship of Ilaben Bhatt of SEWA” also other movements that relate to environment, with its emphasis on recycling and environmental

sensitivity and cultural changes caused by changing economic conditions and technological developments.

Opportunities can be frequently avoided from current, developing business trends such as the globalisation of business, the need for outsourcing created by downsizing, and the mushrooming service economy. There are often localised opportunities; in the tourism and health care (e.g., Kerala Tourism) are rapidly growing industries and niches abounding for port-related (Adani Port) and Telecom and energy-related businesses (examples are Airtel, Tata Power, Reliance Info-comm and Energy, etc.).

To sum up, we can say that entrepreneurship is more a matter of attitude than skill. Skill can develop once attitude is there. Any person possessing entrepreneurial attitude can make it happen and even make it big, irrespective of his personal background. It can be safely said that all of us have entrepreneurial potential. Degree might differ. It is just a matter of developing that potential. And the first stage of development is self-awareness.