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ENTREPRENEURSHIP SKILLS

In the previous lesson you have learnt about project management skills. Now you will learn about entrepreneurship skills. An individual who, rather than working as an employee, runs a small business and takes the responsibility of all the risk and reward of a given business venture, idea, or service offered for sale is generally known as entrepreneur. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes.

An entrepreneur requires some natural skills for getting success in business e.g., calculated risk-taking, effective communication, management skill, quick learning ability, and self-reflection. In this lesson you will learn about what an entrepreneur is what skills are required for being an entrepreneur and so on.



OBJECTIVES

After reading this lesson, you will be able to:

- identify a person as an entrepreneur;
- define skills required for being an entrepreneur;
- explain the importance of entrepreneurship skills

28.1 WHAT IS ENTREPRENEURSHIP?

Before we start to learn about entrepreneurship skills, first let us learn about who is an entrepreneur and what is entrepreneurship.

Entrepreneur is a French word meaning, “one who undertakes an endeavour”. A person who starts his own business or organization is called entrepreneur. If you want to become an entrepreneur you should organize and manage your venture with considerable initiative and risk so that you can get profit from your organization. For example, if you are living in a village and you have started your shop there to facilitate your fellow villagers and for getting some profit then you are an entrepreneur.

When you start a business you have some vision for your business and you establish it according to that vision. The process of starting own business is called **entrepreneurship**. This process is characterized by risk management and innovation and it involves a good amount of investment in terms of time, money, infrastructure and relationships.

Entrepreneurs assemble resources including innovations, finance and business acumen in an effort to transform innovations into economic goods.

Each era has made entrepreneurs in its age. There are some basics to establish a business. Basics of entrepreneurship are as follows:

- Calculated Risk-taking
- Management skills
- Effective Communication
- Vision
- Connection with efficient people
- Strategy
- Marketing

Calculated Risk-taking: An entrepreneur must have courage to take risk with vision. You should have self-confidence about what you are going to do and how you are going to work. You should also be aware of the fact that success and failures may not come equally.

Resource Management skills: An entrepreneur should be able to manage time, money, infrastructure and people who are working within the organization. Efficient use of time and people establishes a successful organization.

Effective Communication: You must communicate in such a way so that customer as well as employee can understand your objective easily. Communication is not language specific, it is a way of presentation so that other person can understand your points correctly.

Vision: Lack of planning infrastructure and money leads to failure of business. Therefore an individual must have clear vision of what is to be done and how to execute his plan.

Connect with efficient people: A business always requires efficient resources. Each employee of an organization should own and take responsibility of work whenever needed. An entrepreneur must allocate right work to the right person. An entrepreneur must also have a quality to identify efficient and suitable people for a particular job.

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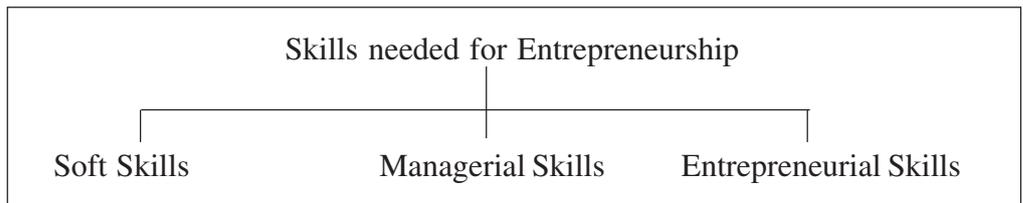
Strategy: You should have a clear master plan for your business. At any point of time if plan A fails there should also be plan B to fall back to.

Marketing: An entrepreneur studies market needs and takes action according to that. After analysing market situation you can get some idea for your product and launching of it as per market needs. There are many ways to look for an idea. One should read a lot, talk to people and consider the questions as: What limitation exists in current market products and services? What would you like to have that is not available? What are other uses for new technology?

28.1.1 Entrepreneurship Skills

The importance of entrepreneurship has been a prominent concept discussed throughout many Youth Employment Conventions. Entrepreneurial skills should be integrated in the education system as it helps the young students to engage themselves in the economic development of the country.

To gain insight into this idea we need to understand why entrepreneurship is important in the first place. Entrepreneurship is a key driver of our economy as a high majority of jobs are created by and through what started as a small idea. By integrating entrepreneurship in the education system, young people can build the confidence to see value in their own ideas. They can then make enterprising choices that are transferable into the workplace. Technical skills, managerial skills and entrepreneurial skills are needed for entrepreneurship.



Let us discuss about these skills in details

(1) Soft skills

Soft Skills include the following:

- Communication
- Interpersonal relations
- Environmental Observation
- Coordination
- Specific operation Technology

Communication

It is a process of exchanging information among people. It needs effective language, presentation skill, environment etc. The figure below explains how to communicate effectively.

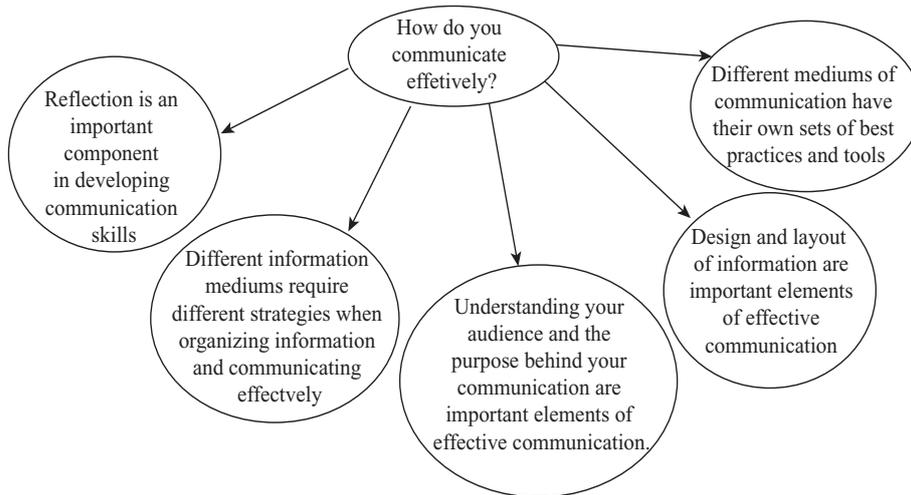


Fig. 28.1: Communication

In the next lesson you will learn about professional communication skills.

Interpersonal relations

It is a skill to communicate with each other. It is used not only in offices but in our day to day social life. People with good interpersonal skills are perceived as confident, calm and charismatic.

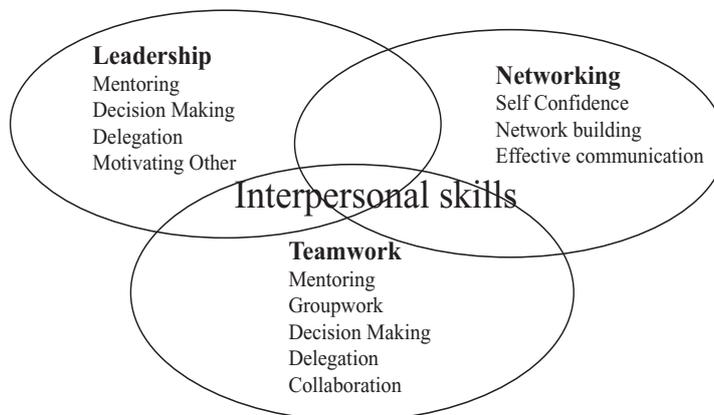


Fig. 28.2: Interpersonal skills



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Environmental Observation

Environmental observation is one of the technical skills. This skill helps in understanding job objective and current scenario of the society with respect to the business that one wants to start.

Coordination

It is a skill that helps in understanding other people and work together to achieve the set goal. Coordination must exist among the team members in order to achieve best possible results.

Specific operation Technology

Sometimes specific technology is required for achieving specific goal. For example if you want to develop a software for web designing then you require knowledge of some specific technology like HTML, CSS, JAVA SCRIPT etc.

(2) Managerial skills

Managerial Skills include the following:

- Planning
- Motivation
- Marketing
- Accounting
- Negotiating

Planning

It is a basic management method involving formulation of one or more detailed plan to achieve the best result. The planning process is to identify goal, formulate strategy and decide the process to be followed to achieve the goal on the same strategy.

Motivation

Motivation is defined as goal oriented behaviour. It is frequently used to describe why a person is interested in doing a particular work.

Following points help us to stay motivated:

- Surround yourself with positivity
- Create a vision board

- Make smart goals
- Reward yourself
- Believe in yourself
- Acknowledge your positive attributes
- Recognize your progress
- Visualize accomplishing your goals
- Be kind to yourself
- Don't compare yourself to others

Marketing

It is an ability through which you sell something or create awareness about something e.g. any product. For example T.V. commercials are a part of marketing. It tries to satisfy needs of clients. It includes the coordination of product, price, place and promotional strategy. These are known as 4 P's of marketing. You have to follow the points mentioned below to ensure maximum sale of your product/service:

- Identify the product
- Determine its price
- Reach the customer
- Implement the of promotional strategy

Accounting

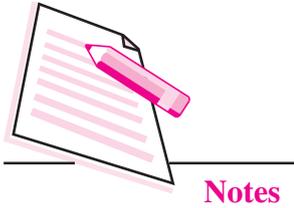
It is a process of keeping financial record or preparing financial record. It includes analysis, verification and reporting of records.

Negotiating

It is a process through which people settle all the problems which occur between two or more parties. Parties try to reach at mutual beneficial outcome through negotiation. Process of negotiation includes following stages:

- Preparation
- Discussion
- Goal clarification
- Arriving at mutual beneficial points

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- Agreement
- Implementation of strategy

(3) Entrepreneurial skills

It includes the following:

- Innovation
- Persistency
- Visionary
- Flexibility

Innovation and Risk Taking Ability

It is a process of translating new ideas into services that create value. An idea must be replicable at economical cost and satisfy customer’s need. Innovation is synonymous with risk taking. An organization that creates new idea, takes great risk of implementing a new market.

Persistency

In this skill, you continue to do something even though it is difficult or even if other people are against it. This skill requires lot of patience and determination.

Visionary

Someone who can visualize the future and take action according to that is visionary. A visionary has clear ideas about what should happen and what strategy can be formed to achieve best possible results.

Flexibility

Flexibility is willingness to change as per the changing environment, for betterment. One should not be stringent about his/her way of working; rather should be able to adapt new ways easily.



INTEXT QUESTIONS 28.1

Fill in the blanks.

1. A person who starts his business or organization is called
2. is a process of keeping financial record or preparing financial record.

3. is a process of translating new ideas to services that create value.
4. is a process of exchanging information among people.
5. The process of starting own business is called.....



WHAT YOU HAVE LEARNT

- A person who starts his/her own business is called an entrepreneur.
- A process of starting own business is called as entrepreneurship.
- Communication is a process of exchanging information among people.
- Technical skills include communication, interpersonal relation, environmental observation, coordination and specific operation technology skills.
- Managerial skills include planning, motivation, marketing, accounting and negotiating skills.
- Entrepreneurial skills include innovation, persistency, visionary, change orientation and risk seeking skills.
- A good entrepreneur needs technical skills, managerial skills and entrepreneurial skills.



TERMINAL EXERCISE

1. Differentiate between entrepreneurship and entrepreneur.
2. What are the qualities of a manager?
3. What are the types of soft skills required by an entrepreneur?
4. Why risk-taking ability is needed for entrepreneurship?
5. What is the meaning of efficient people in entrepreneurship?



ANSWERS TO INTEXT QUESTIONS

28.1

1. entrepreneur
2. accounting
3. innovation
4. communication
5. entrepreneurship



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