



# RAMA UNIVERSITY

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**FACULTY OF COMMERCE &  
MANAGEMENT**

**COURSE: BBA-DM 2<sup>nd</sup> SEMESTER**

**SUBJECT: BUSINESS ENVIRONMENT**

**SUBJECT CODE: BBA204**

**LECTURE: 7**

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# Lecture-7



## Unit II

### *Enterprise:*

- Entrepreneur is a person who starts an enterprise. The process of creation is called entrepreneurship. The entrepreneur is the actor and entrepreneurship is the act. The outcome of the actor and the act is called the enterprise.
- An enterprise is the business organization that is formed and which provides goods and services, creates jobs, contributes to national income, exports and overall economic development.

### *Entrepreneurship:*

- Entrepreneurship can be described as a process of action an entrepreneur undertakes to establish his enterprise.
- It is a creative activity.
- It is the ability to create and build something from practically nothing.
- It is a ability of sensing opportunity where others see, challenge and confusion.
- Entrepreneurship is the attitude of mind to seek opportunities, take calculated risks and derive benefits by setting up a venture.
- It comprises of numerous activities involved in idea, creation and running an enterprise.
- **According to Peter Drucker:** Entrepreneurship is ‘a systematic innovation, which consists in the purposeful and organized search for changes, and it is the systematic analysis of the opportunities such changes might offer for economic and social innovation.’
- Entrepreneurship is the development of a business from the ground up coming up with an idea and turning it into a profitable business
- Entrepreneurship is a discipline with a knowledge base theory.

- It is an outcome of complex socio economic, psychological, technological, legal and other factors.
- It is a dynamic and risky process.
- It involves a mixture of capital, technology and human talent.
- Entrepreneurship is equally applicable to big and small businesses, to economic and non-economic activities.

### **Characteristics of an Entrepreneur**

- Entrepreneurs are different from each other, but successful entrepreneurs tend to share certain characteristics. There are some common characteristics of successful entrepreneurs.

*Entrepreneurs tend to:*

- be passionate about achieving their goals.
- have a spirit of adventure (in fact, the word "adventure" is derived from the Latin word meaning "to venture").
- have a strong need to achieve and seek personal accomplishment
- be self-confident and self-reliant.
- be goal-oriented.
- be innovative, creative, and versatile.
- be persistent.
- be hardworking and energetic.
- have a positive attitude.
- be willing to take initiative.
- have a strong sense of commitment.
- An eye for opportunity: Many entrepreneurs start by finding a need and quickly satisfying it.
- Independence:

- An appetite for hard work: Most entrepreneurs start out working long, hard hours with little pay.
- Self-confidence: Entrepreneurs must demonstrate extreme self-confidence in order to cope with all the risks of operating their own business.
- Discipline: Successful entrepreneurs resist the temptation to do what is unimportant or the easiest but have the ability to think through to what is the most essential.
- Judgment: Successful entrepreneurs have the ability to think quickly and make a wise decision.
- Ability to accept change: Change occurs frequently when you own your own business, the entrepreneur thrives on changes and their businesses grow.
- Need to achieve:
- Focus on profits: Successful entrepreneurs always have the profit margin in sight and know that their business success is measured by profits.

### **Functions of an Entrepreneur**

- An entrepreneur frequently has to wear many hats.
- He has to perceive opportunity, plan, organize resources, and oversee production, marketing, and contact with officials. Most importantly he has to innovate and bear risk.
- The main functions of an entrepreneur are as follows:
  1. Innovation
  2. Risk Assumption and uncertainty bearing

### 3. Organization building

- ✓ Perception of market opportunities
- ✓ Gaining command over scarce resources
- ✓ Purchasing inputs
- ✓ Marketing the products
- ✓ Dealing with bureaucrats
- ✓ Managing human relations within the firm
- ✓ Managing customer and supplier relations
- ✓ Managing finance
- ✓ Managing production
- ✓ Upgrading process and product
- ✓ Introducing new production techniques and products

### 4. Decision making

### 5. Organizing

### 6. Management