

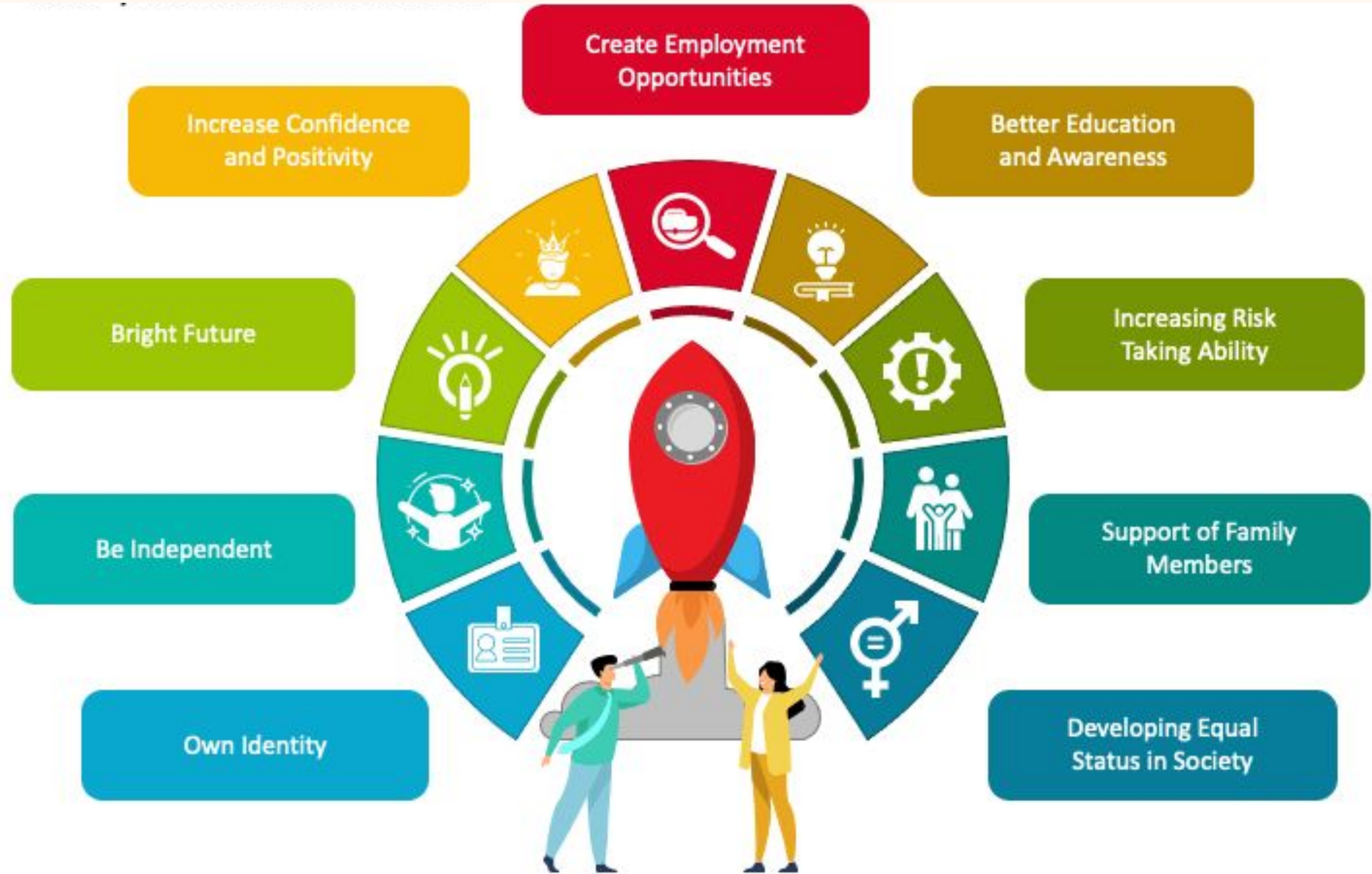
Entrepreneurship Development and Management (Semester - VI)

Concept and Meaning of Entrepreneurship

Entrepreneurship is the dynamic process of creating, innovating, and managing a business venture with the aim of making profits. It involves the **identification of opportunities, taking calculated risks, and adding value** to society through new **products or services**.

Ar. Sumeet Kumar
Lecturer (Architecture)
[GPW, Sirsa]
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Need for Entrepreneurship



Important factors and Terms related to Entrepreneurship



Economic Growth

Entrepreneurship drives innovation, creates job opportunities, and fosters economic progress.



Problem Solving

Entrepreneurs identify societal needs and provide innovative solutions to address them.



Wealth Creation

Entrepreneurship allows individuals to create value and generate wealth for them.

Market Research

Conduct thorough market research to understand customer needs and identify opportunities.

It helps in discovering potential competitors and market trends.

Risk Management

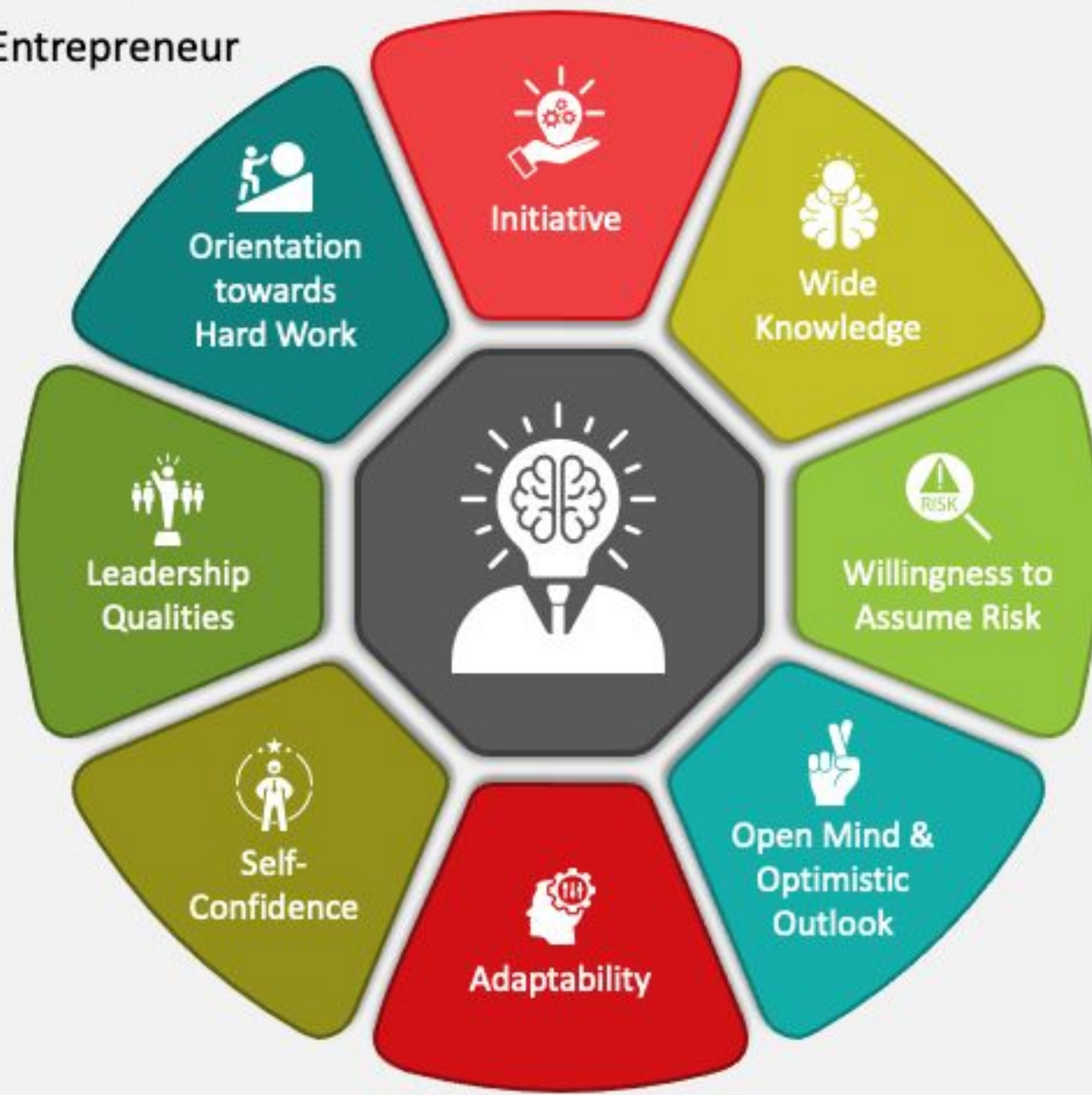
Assess and mitigate risks associated with the business to ensure sustainable growth.

Business Plan

Create a comprehensive business plan outlining goals, strategies, and financial projections.

It serves as a roadmap for the venture and attracts potential investors.

Qualities of Entrepreneur



Qualities of an Entrepreneur

Visionary

An entrepreneur has a clear vision for the future and is able to set long-term goals for their business.

Risk-Taker

They are willing to take calculated risks and embrace uncertainty to achieve business growth.

Problem-Solver

An entrepreneur identifies challenges and finds innovative solutions to overcome them.

Leader

They inspire and motivate their team to work towards the common goals of the business.

Functions of an Entrepreneur



Barriers in Entrepreneurship

- Lack of Financial Resources: Difficulty in accessing funds for startup capital and operations.
- Regulatory Barriers: Complex legal and regulatory requirements for setting up and running a business.
- Market Competition: Fierce competition and market saturation can make it challenging for new businesses to gain a foothold.

Sole Proprietorship and Partnership Firms

Sole proprietorship is a business structure where a single individual owns and manages the business.

Partnership firms involve a formal agreement between two or more individuals to jointly manage and operate a business.



Basis of Comparison	Sole Proprietorship	Partnership
Structure	An individual doing his own business.	Two or more people doing business for profit.
Incorporation	Not required	Voluntary
Governing Act	No specific statute	Indian Partnership Act, 1932
Minimum members	Only One	Two
Liability	Born by proprietor only.	Shared by partners.
Duration	Uncertain	Depends on the desire and capacity of the partners.
Management	Inefficient management due to the limited supply of skills.	The collective skill of partners leads to efficient management
Finance	Scope of raising capital is limited.	Scope of raising capital is comparatively high.
Freedom	Owner can make all the decisions regarding the operation of the enterprise without having to seek the approval of others.	Infighting and differing opinions may prevent the business from moving forward and could jeopardize its existence if the partners cannot resolve their differences.
Tax advantages	More	Less

SOLE PROPRIETORSHIP VS PARTNERSHIP

MEMBERS



Sole Proprietorship
Minimum 1

Partnership
Minimum 2

REGISTRATION



Sole Proprietorship
Local registration
Business licenses and permits
DBA recommended

Partnership
State registration
DBA
Business licenses and permits
Partnership agreement

DISOLUTION



Sole Proprietorship
Notify IRS + local and state authorities

Partnership
Follow Partnership Agreement
Check with Secretary of State

LIABILITY



Sole Proprietorship
Unlimited, on owner

Partnership
Unlimited, shared by partners

MANAGEMENT



Sole Proprietorship
Individual

Partnership
Collective

DECISIONS



Sole Proprietorship
All made by owner

Partnership
Shared by partner

Other forms of business organisations



Partnership

A business owned by two or more individuals who share responsibilities and profits.



Corporation

A legal entity separate from its owners, providing limited liability to shareholders.



Cooperative

An organization owned and operated by a group of individuals for their mutual benefit.



01 SOLE PROPRIETORSHIP

- Owned by a single person
- More flexible
- Business owner does not have limited liability

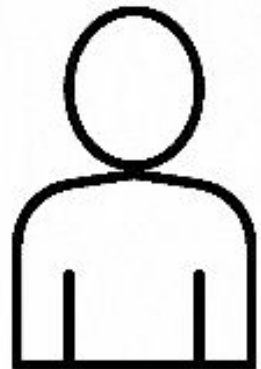
02 PARTNERSHIP

- More than one person to form and run the business



03 CORPORATIONS

- Limited liability
- Shareholder ownership
- Taxable



04 MULTI NATIONALS

- Large organizations that operate in more than one country.
- Can influence the national economy and local labor market by transferring technology and capital



05 FRANCHISE

- Right to use a brand in exchange for a fee
- Must follow the guidelines of the brand.



06 COOPERATIVE

Owned by a group of people with mutual interest



Support Agencies for Entrepreneurs



Commercial Banks

Commercial banks provide financial assistance and services to entrepreneurs for business growth and development.



Technology Business Incubators (TBI)

TBIs offer support, resources, and infrastructure for nurturing technology-based start-ups and innovative ideas.



Science and Technology Entrepreneur Parks

These parks provide a conducive environment for fostering innovation and entrepreneurial activities in the science and technology sector.