

Unit- 1

Entrepreneur

The word 'entrepreneur' has been taken from the French language *enterprendre* which means "between-taker" and "go-between" i.e., "to undertake" and meant to designate an organizer of musical or other entertainments. Therefore, an entrepreneur is one who penetrates the spaces between established boundaries and takes the opportunities overlooked by others.

The word entrepreneur has been in use for the last five centuries with variations in meanings.

Richard Cantillon, the Irish man living in France, who first introduced the term 'entrepreneur' defined it as an agent who buys factors of production at certain prices in order to combine them into a product with a view to selling it at uncertain prices in future.

According to Jean Baptist Say, an entrepreneur is one who combines the land of one, the labour of another and the capital of yet another, and, thus, produces a product. By selling the product in the market, he pays interest on capital, rent on land and wages to labourers and what remains is his/her profit.

A.H. Cole defines the term entrepreneurship as the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of economic goods and services.

Successful entrepreneurs are often observed to be following a cycle, which begins with imagination, then creativity and innovation. Entrepreneurship involves a hierarchy of skills, starting with imagination. Imagination leads to creativity, creativity leads to innovation and innovation leads to entrepreneurship.

Entrepreneurial imagination

Imagination is framing in one's mind, things that do not exist at present and constructing ways to make it actually happen. This requires curiosity, engagement

and the ability to conceive ideas in mind. Imagination is the ability to observe things from different perspectives that helps entrepreneurs to scrutinize the past, and construct future scenarios. It is the ability to think beyond the boundaries set by the rest of the world and to think the unthinkable that gives those with an entrepreneurial imagination a superior advantage over those who follow conventionally held ideas and beliefs. The importance of imagination is greatly acknowledged in the theories of entrepreneurial action but this quality is hardly defined or measured, and often treated as uniform in degree and type.

Entrepreneurial creativity

Creativity is applying imagination to overcome a challenge. Creative ideas fill a specific need and are manifest in the world. Creativity is one of the qualities that every leader and entrepreneur needs. Creativity eliminates the limits of mindsets and provides wings to fly. Lack of creativity could bring downfall to the business. However, it is important to distinguish between imagination and creativity. Imagination is framing a scenario in one's mind whereas creativity is providing different colors to it.

Entrepreneurial innovation

Joseph A. Schumpeter considered economic development as a discrete dynamic change brought by entrepreneur by instituting new combinations of factors of production which he called 'innovation'. According to him, entrepreneur is a 'creative destructor' who creates or causes a dynamic disequilibrium in the economy by taking innovation to commercialization by embedding it in an environment where it did not exist previously.

Innovation is applying creativity to generate unique solutions. Entrepreneurship is applying innovation to bring unique ideas to fulfillment, inspiring the imagination of others as well.