## **Concept and Nature of Entrepreneurship**

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise, along with any of its uncertainties in order to make a profit. The most prominent example of entrepreneurship is the starting of new businesses.In economics, entrepreneurship connected with land, labour, natural resources and capital can generate a profit. The entrepreneurial vision is defined by discovery and risk-taking and is an indispensable part of a nation’s capacity to succeed in an ever-changing and more competitive global marketplace.

## **Meaning of Entrepreneur**

The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a startup venture along with risk entitled to it, to make profits. The best example of entrepreneurship is the starting of a new business venture. The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention.

It can be classified into small or home business to multinational companies. In economics, the profits that an entrepreneur makes is with a combination of land, natural resources, labour and capital.In a nutshell, anyone who has the will and determination to start a new company and deals with all the risks that go with it can become an Entrepreneur.

Entrepreneurship is the process of designing and running a **new business venture** for earning profits. It is a process that brings innovation that is new ideas, products, and services in the market. Entrepreneurship is the **ability to create, manage and operate** a new business and bears all of its risk with a view to earn profits. A person who develops new business and undertakes all risks and challenges associated with it is termed as Entrepreneur.

Entrepreneurship is defined as an act of looking for an [investment](https://commercemates.com/types-of-investment-in-economics/) and production opportunity, then creating and managing a business venture for earning profits. It involves arranging for materials, labor, land, capital, bringing new techniques and product and recognizing new sources for enterprises. The risk associated with entrepreneurship is high but at the same, it may also provide high rewards to a person starting a venture.

## Concept of Entrepreneurship

Like other economic concepts, entrepreneurship has been a subject of much debate and discussions. It is an elusive concept.

Hence, it is defined differently by different authors. While some call entrepreneurship as ‘risk-bearing’, others view it innovation and yet others consider it ‘thrill-seeking’. Let us consider some important definitions of entrepreneurship to understand what entrepreneurship is all about.In a Conference on Entrepreneurship held in the United States, the term ‘entrepreneurship’ was defined as follows:

“Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources necessary to bring a project to fruition”.’

In the opinion ‘of A.H. Cole, “Entrepreneurship is 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”.

According to Schumpeter, “Entrepreneurship is based on purposeful and systematic innovation. It included not only the independent businessman but also company directors and managers who carry out innovative functions”.

In all the above definitions, entrepreneurship refers to the functions performed by an entrepreneur in establishing an enterprise. Just as management is regarded as What managers do, entrepreneurship may be regarded as what entrepreneurs do. In other words, entrepreneurship is the act of being an entrepreneur.

Entrepreneurship is a process involving various actions to be undertaken to establish an enterprise. It is, thus, the process of giving birth to \*new enterprise. ‘

Innovation and risk-bearing are regarded as the two basic elements involved in entrepreneurship. Let us understand what these two terms mean.

Nature of entrepreneurship

**Creation of Entrepreneur**

Entrepreneurship is a process that refers to the creation and running of a new enterprise. It is an activity under which a person called an entrepreneur starts a new venture using a new idea.

### **Economic Activity**

Entrepreneurship is an economic activity as it involves creating and running a new business through optimum utilization of all combined resources. It ensures that all scarce resources are efficiently used for deriving better returns in the form of profit.

**Innovation and Creativity**

It is the process of discovering new ideas and concepts and implementing them in business ventures. Entrepreneurship involves bringing innovation in the market by introducing new products or process that delivers better service.

### **Risk Bearing**

It is an activity which involves huge risk which every entrepreneur needs to undertake for starting a venture. New ideas developed and implemented by the entrepreneur are uncertain and may result in losses.

### **Profit**

Profit earning is the sole objective of an entrepreneur for undertaking risk. Entrepreneurs start a new venture with a view to earning profits.

### **Gap Filling**

Entrepreneurship is a process of recognizing and filling the gap between customer needs and available products or services. It focuses on removing the deficiencies from the currently available products to fulfill the needs of customers

**Organizing Function** It is an organizing function that brings together different factors of production like land, labor, and capital. Entrepreneurship is concerned with coordinating and managing all resources engaged within the enterprise.