



UHAK 1012

Graduate Success

Attributes

Enterprising Skills

What is Entrepreneurship?

Origin of the Word “Entrepreneur”

- ❖ The word was originally used to describe people who “take on the risk” between buyers and sellers or “undertake” a task such as starting a new venture.

Difference Between an Inventor and an Entrepreneur

- ❖ An inventor creates something new.
- ❖ An entrepreneur puts together all the resources needed—the money, the people, the strategy, and the risk bearing ability to transform the invention into a viable business.



John Olson/The LIFE Images Collection/Getty

<https://www.biography.com/business-figure/colonel-harland-sanders>



Photo from: <https://www.deseret.com/2014/11/20/20553178/utah-man-who-founded-first-kfc-dies-at-95#pete-harman-of-kentucky-fried-chicken-poses-for-a-photo-during-a-book-signing-in-south-salt-lake-on-july-20-2002>

What is Entrepreneurship?

- ❖ Entrepreneurship is the process by which individuals **pursue opportunities** without regard to the resources they currently control.
- ❖ The essence of entrepreneurial behavior is identifying opportunities and putting useful ideas into practice.
- ❖ The set of tasks called for by this behavior can be accomplished by either an individual or a group and typically requires creativity, drive, and a willingness to take risks.

eBay Case



Pierre Omidyar
Founder of eBay

All these qualities were exemplified by Pierre Omidyar, the founder of eBay. Omidayar saw an opportunity to create a marketplace where people could find each other online, he risked his career by quitting his job to work on eBay full time, and he worked hard to build a profitable company that delivers a creative and useful service to its customers.



Entrepreneurs Add Value to Scarce Resources

- ❖ All resources (wood, coal, oil, etc.) that cost money are “scarce.”
- ❖ Entrepreneurs add value to scarce resources by shifting them from areas of lower to higher productivity.



The Economic Questions

An economy is a country's financial structure. It is the system that produces and distributes wealth.

- What should be produced?
- When will it be produced?
- How will it be produced?
- Who will produce it?
- Who gets to have what is produced?



Why Be an Entrepreneur?



Control over time



Fulfillment



Creation / Ownership



Control over Compensation

Salary, Wage, Dividend & Commission



Control over Working Conditions

Costs and Benefits of Entrepreneurship



Costs

- ❖ Business failure
- ❖ Obstacles
- ❖ Loneliness
- ❖ Financial Insecurity
- ❖ Long Hours/Hard Work

Benefits

- ❖ Independence
- ❖ Satisfaction
- ❖ Financial Reward
- ❖ Self-Esteem
- ❖ Contribution to Society

Sources of Opportunity



❖ Use new technology to produce a new product.

❖ Use an existing technology to produce a new product.

❖ Use an existing technology to produce an old product in a new way.

❖ Find a new source of (cheaper) resources.

❖ Develop a new market for an existing product.



5 Roots of Opportunity

1. Problems
2. Changes
3. Inventions
4. Competition
5. Technological advances



*Where others see problems,
entrepreneurs recognize opportunities.*

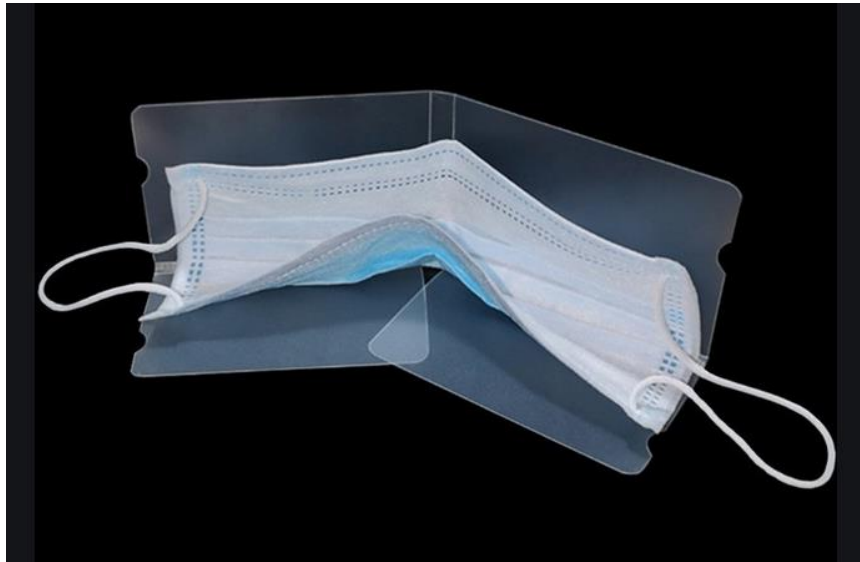


Photo from: <https://shopee.com.my/%E3%80%90Ready-Stock-%E3%80%91PC-Portable-Disposable-Face-Mask-Container-Folding-Mask-Storage-Clip-Masks-Storage-Box-Mask-Holder-i.60664829.6423109392>

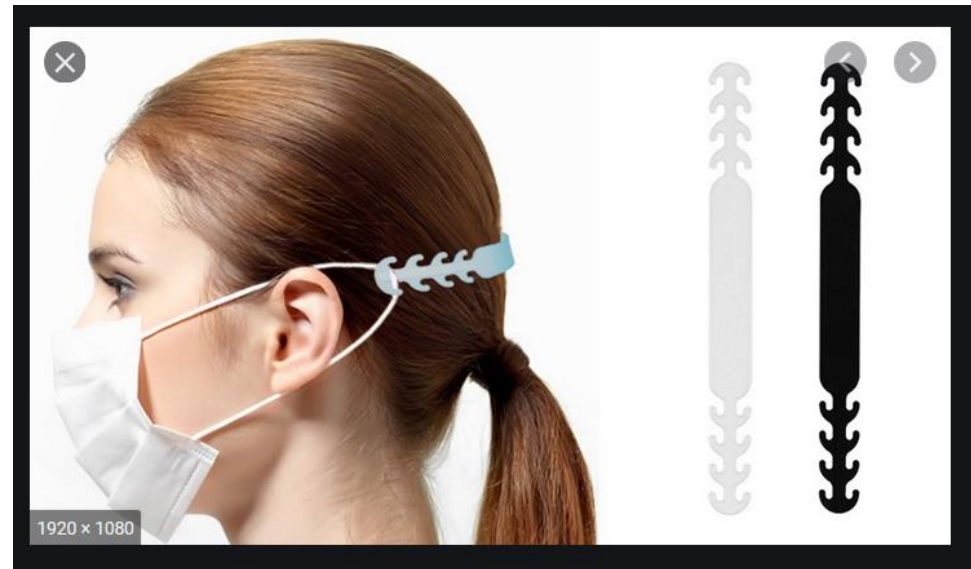


Photo from: <https://www.8days.sg/liveandlearn/style/there-are-now-accessories-to-make-your-face-mask-more-12925128>

Use 'SWOT' to Evaluate Business Ideas



S

STRENGTHS

- Things your company does well
- Qualities that separate you from your competitors
- Internal resources such as skilled, knowledgeable staff
- Tangible assets such as intellectual property, capital, proprietary technologies etc.

W

WEAKNESSES

- Things your company lacks
- Things your competitors do better than you
- Resource limitations
- Unclear unique selling proposition

O

OPPORTUNITIES

- Underserved markets for specific products
- Few competitors in your area
- Emerging need for your products or services
- Press/media coverage of your company

T

THREATS

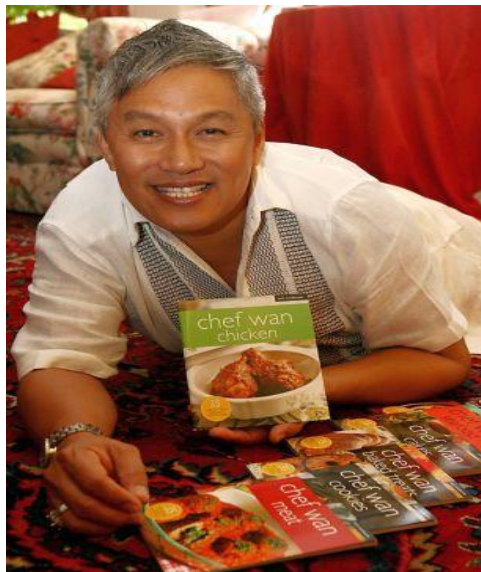
- Emerging competitors
- Changing regulatory environment
- Negative press/media coverage
- Changing customer attitudes toward your company

 WordStream

Source from: <https://www.wordstream.com/blog/ws/2017/12/20/swot-analysis>

2 Classes of Opportunities

1. **External**—generated by **outside circumstances** noticed by the entrepreneur.
2. **Internal**—generated by an **interest or hobby** of the entrepreneur.



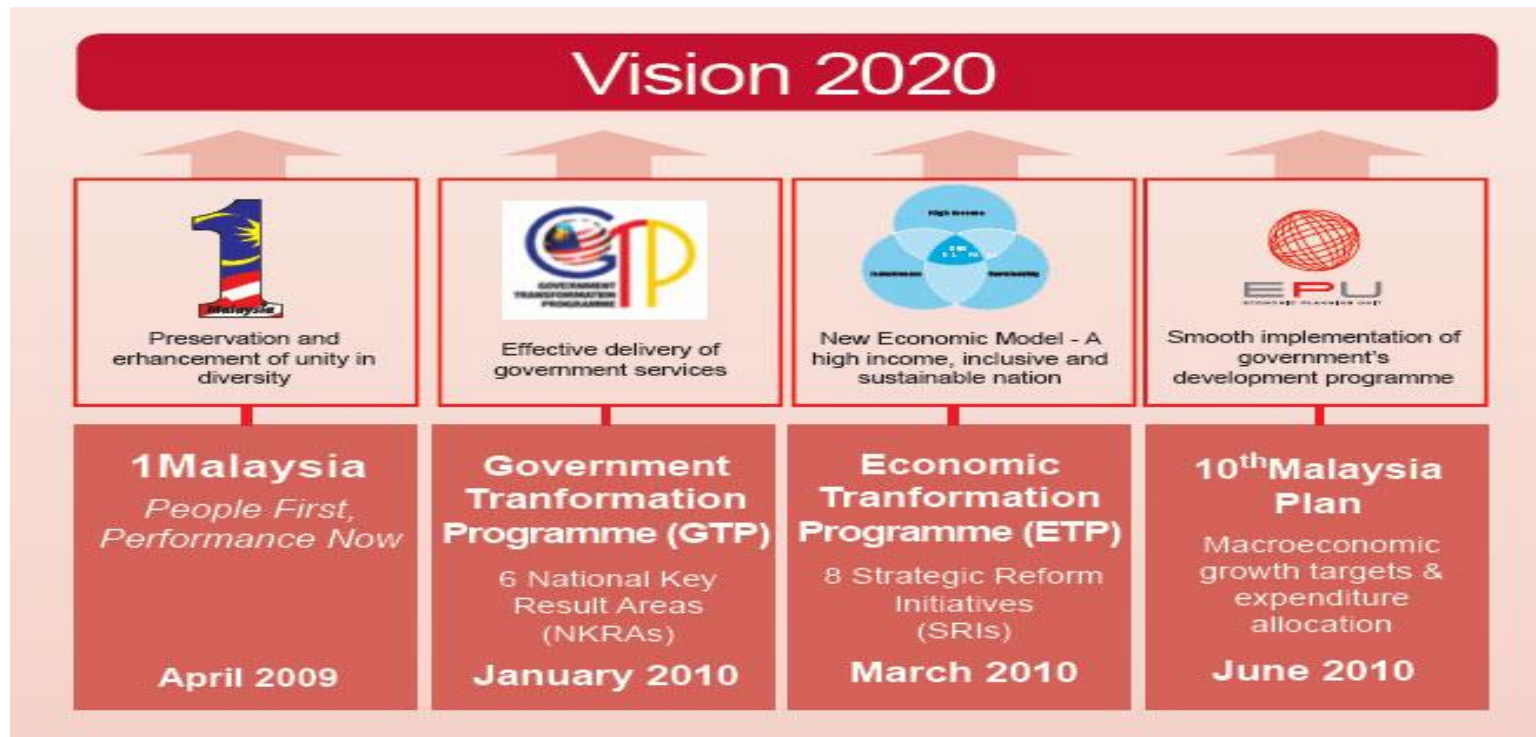
Entrepreneurship development in Malaysia

- Entrepreneurship has existed in Malaysia since the interaction of Malacca with foreign traders.



Entrepreneurship development in Malaysia

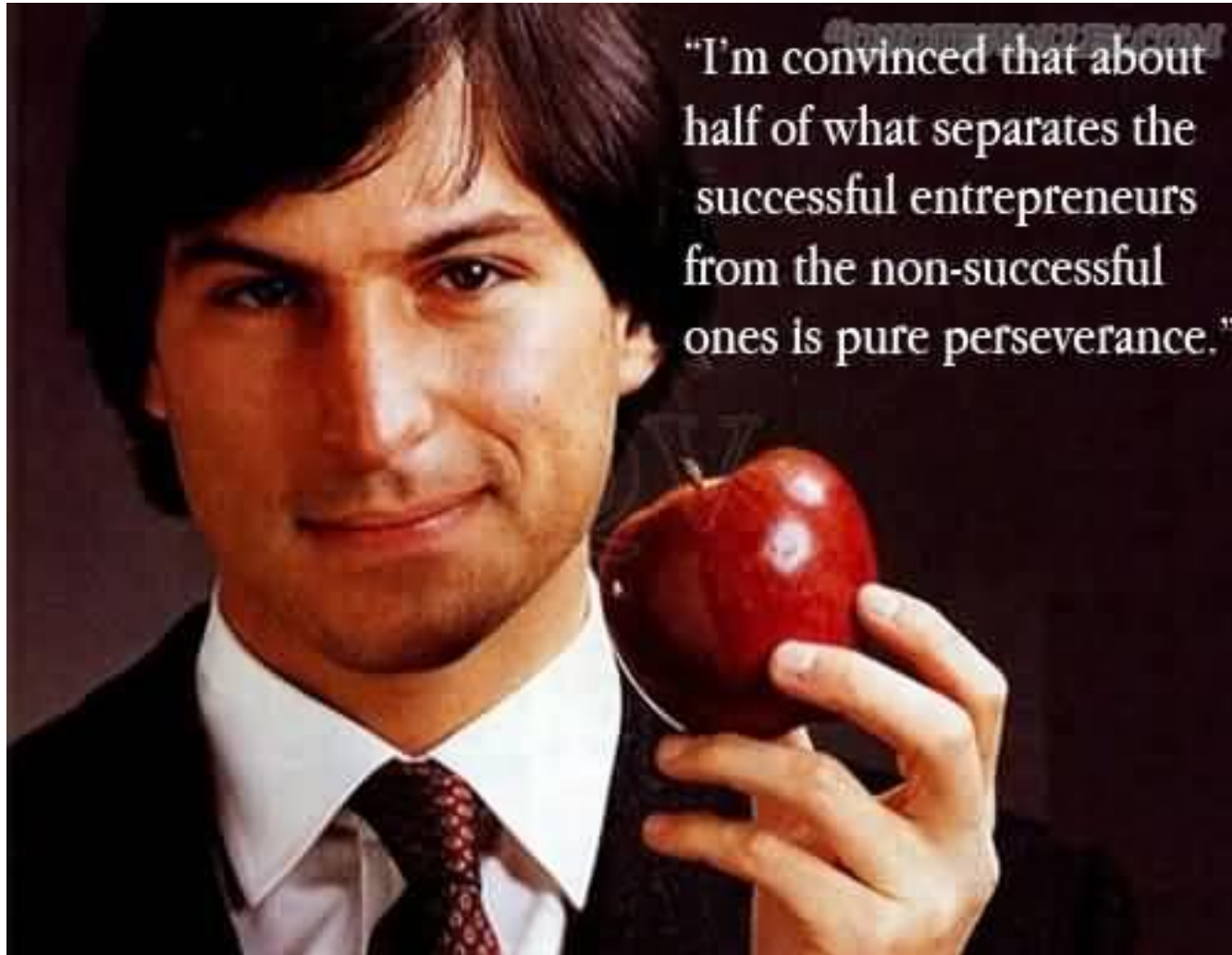
- After independence, the Malaysian government has been focusing on the field of entrepreneurship until today.
- Several agencies established to manage and promote the growth of entrepreneurship are SME Corp, TEKUN, MARA, PUNB, MTDC and etc.
- Others: The New Economic Policy (1971-1990), The National Development Policy (1990 – 2000), Vision 2020



Characteristics of successful entrepreneurs

- ✓ *Initiative and responsibility*
- ✓ *High degree of commitment*
- ✓ *Opportunity orientation*
- ✓ *Moderate risk taker*
- ✓ *Confidence and optimistic*
- ✓ *Independent*
- ✓ *Creative and innovative*
- ✓ *Skilled at organising*
- ✓ *Drive to achieve*
- ✓ *Tolerance for failure*
- ✓ *Ability to set vision*
- ✓ *Team building*
- ✓ *High level of energy*
- ✓ *Flexibility*
- ✓ *Internal locus of control*
- ✓ *Seeking feedback*





Initiative and responsibility

Willingness to put oneself in situations where he/she personally responsible for the success or failure of the operation. Entrepreneurs like to take initiative in solving problems where no leadership exists.

High degree of commitment

Commitment helps entrepreneurs to overcome business-threatening mistakes and obstacles. Entrepreneurs commitment to their ideas and ventures they spawn determine how successful those ventures ultimately become.

🌐 **Opportunity orientation**

Focus and start on opportunities rather than on resources. Begin with opportunities and let their understanding of them guide other important issues.

🌐 **Moderate risk taker**

Entrepreneurs are not wild risk takers; they are calculated risk takers. Avoid taking unnecessary risks.

🌐 **Confidence and optimistic**

Tend to be optimistic about their chances for success and usually their optimism is based on reality.

Independent

Like to accomplish tasks on their own way. Doesn't mean entrepreneurs make all decisions. They want authority to make important decisions.

Creative and innovative

Enable entrepreneurs to produce unique goods and services for customers. Creativity is not inherited, it can be learned.

Skilled at organizing

Entrepreneurs must know how to put the right people together to accomplish a task. Able to organize their resource in effective way so as to transform their visions into reality.

Drive to achieve

Entrepreneurs are self-starters who internally have a strong desire to compete, to excel, and to pursue and attain challenging goals.

Tolerance for failure

Entrepreneurs do not become disappointed, discourage, or depressed by failure, instead they learn from experience.

Ability to set vision

Entrepreneurs know what they want to achieve. They have a vision or concept of what their firm can be. Vision develops over time as entrepreneurs begin to realize what the firm is and what it can become.

Team building

Most entrepreneurs have highly qualified, well-motivated teams that help handle the venture's growth and development.

High level of energy

Entrepreneurs are more energetic than the average person, in order to cope with workload and stressful demands.

Flexibility

Entrepreneurs are not rigid in their venture, to adapt to the changing demands of their customers and businesses.

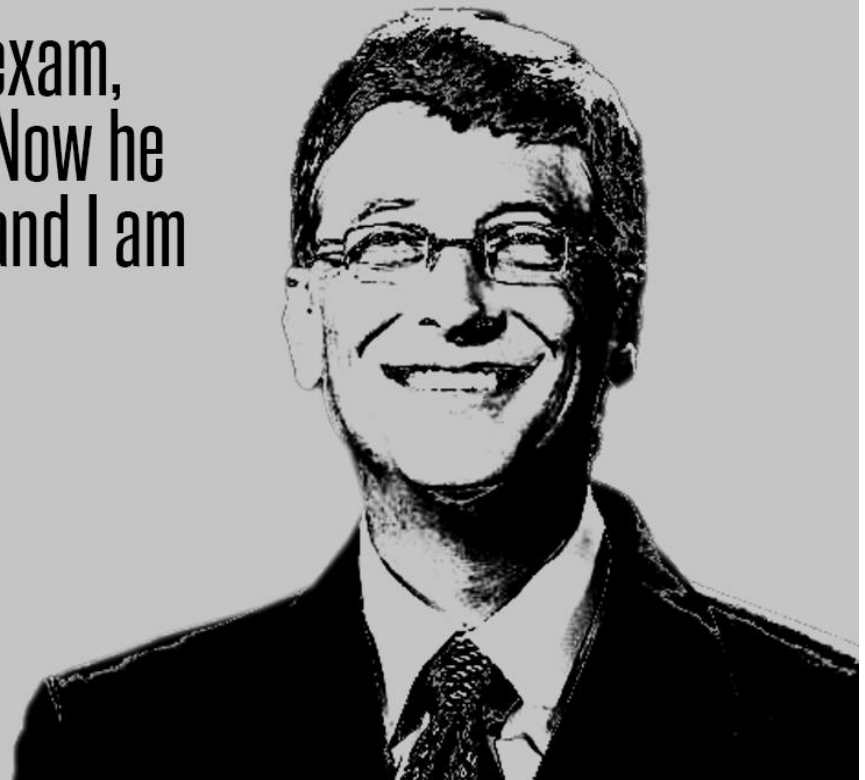
🌐 **Internal locus of control**

Entrepreneurs believe the success or failure of their venture depends on themselves.

🌐 **Seeking feedback**

Entrepreneurs like to know what they are doing and constantly looking for reinforcement. Actively seek and use feedback to improve themselves and their venture performance.

I failed in some subjects in exam,
but my friend passed in all. Now he
is an engineer in Microsoft and I am
the owner of Microsoft.



What are the similarities / differences between entrepreneur and businessman?



Differences between entrepreneur and businessman?

	Entrepreneur	Businessman
Idea Generation	Starts a business from his own unique idea or concept	Starts a business from an existing idea or concept
Business Types	Innovative and revolutionary	Traditional
Risk Propensity	Risk taker and accountable	Stays safe
Market Orientation	A market leader	A market player
Strategic Role	He gives life to his business	His business gives him a living

What are the similarities / differences between entrepreneur and manager?



Differences between entrepreneur and manager?

	Entrepreneur	Manager
Motive	Set up own enterprise	Renders his services in an established enterprises
Status	The owner of an enterprise	The servant in the enterprise owned by the entrepreneur
Risk-bearing	Assumes all risks and uncertainty involved	Does not bear any risk involved
Objectives	To innovate and create new offerings – Change Agent	To implement and create routine – Plan Implementer
Reward	Uncertain income	Fixed salary

Table 1.3 Contrasting Trait Profiles for Entrepreneurs and Administrators

Entrepreneurs tend to

- Focus on envisioned futures
- Emphasize external/market dimensions
- Display a medium to high tolerance for ambiguity
- Exhibit moderate to high risk-taking behavior
- Obtain motivation from a need to achieve
- Possess technical knowledge and experience in the innovative area

Administrators tend to

- Focus on the established present
- Emphasize internal/cost dimensions
- Display a low to medium tolerance for ambiguity
- Exhibit low to moderate risk-taking behavior
- Obtain motivation from a need to lead others (i.e., social power)
- Possess managerial knowledge and experience

Source: Philip D. Olson, "Choices for Innovation-Minded Corporations," *The Journal of Business Strategy*, 11 (January–February 1990): Exhibit 1, p. 44. Reprinted from *Journal of Business Strategy* (New York: Warren, Gorham & Lamont). © 1990 Warren, Gorham & Lamont Inc. Used with permission.