

ENTREPRENEURSHIP AND INNOVATION

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Abstract:

The chief characteristics of the entrepreneur are identified, one of which is the ability to combine already existing resources in creative modes. Distinguishing between "invention" (the discovery of new technical knowledge and its practical application to industry) and "innovation" (the introduction of new technical methods, products, sources of supply, and forms of industrial organization), all disrupting economic change to innovations is traced and the innovator is identified with the entrepreneur. Because the entrepreneur is the source of all economic change, capitalism can be properly understood only in terms of the conditions giving rise to entrepreneurship. The entrepreneurial role is not necessarily embodied in a single person. An entrepreneur may be a capitalist or even a corporate manager, but whether all these different functions are combined in one or more persons depends on the nature of capital markets and on the forms of industrial organization.

INTRODUCTION

Entrepreneurship is the ability to identify the investment opportunity and to organize an enterprise in order to contribute for real economic growth. Entrepreneurship combines many qualities such as innovation, risk taking, combining factors of production. Entrepreneurship is a process of innovation that reallocates resources to new opportunity. Thus Entrepreneurship plays an important role in the development of society. It is the defacto barometer of overall economic, social and industrial growth. Entrepreneurship has facilitated large scale production and distribution. It has widened the area and scope of marketing of goods and services. Hence Entrepreneurship acts as a positive force in economic development by creating national wealth and new jobs.

MEANING AND DEFINITIONS OF ENTREPRENEUR, ENTREPRENEURSHIP AND INNOVATION:

Entrepreneur:

“Entrepreneur” means a person who establishes his own business or industrial undertaking with a view to make profit.

E.E.Haggen: “An Entrepreneur is an economic man who tries to maximize his profits by innovations. Innovations involve problem-solving and the entrepreneur gets satisfaction using his capacities in attacking problems”.

J.A Schumpeter: Entrepreneurs are innovators who use a process of shattering the status quo of the

Please cite this Article as : VENKATANARAYANA.MIRIYAM , ENTREPRENEURSHIP AND INNOVATION
: Tactful Management Research Journal (Jan. ; 2013)

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existing products and services, to set up new products, new services.

Peter Drucker: An entrepreneur searches for change, responds to it and exploits opportunities. Innovation is a specific tool of an entrepreneur hence an effective entrepreneur converts a source into a resource.

Entrepreneurship:

Entrepreneurship is the process of starting and running one's own business.

Robert K Lamb "Entrepreneurship is that form of social decision making which is performed by economic innovators".

J.A Schumpeter: "Entrepreneurship is based on purposeful and systematic innovation. It includes not only the individual businessman but also company directors and managers, who actually carry on innovative functions".

Innovation:

In simple words "innovation is doing new things".

Thomas.W.Z: "Innovation is the ability to apply creative solutions to problems and opportunities to enhance or to enrich people's lives".

The relationship between entrepreneurship and innovation:

Entrepreneurship and innovation complement business naturally. Each requires creative thinking and a desire to take some risks. Proven research indicates the intensity of said risks, making it possible to forge new paths for corporate success and technological advancement. Comparing entrepreneurship and innovation, one can't help but recognize the similar characteristics of each, and how when joined together, they expand business prospects.

ENTREPRENEURSHIP CHARACTERISTICS:

Entrepreneurs are natural born leaders with innate characteristics that generate ideas and challenge the status quo. They are philosophical by nature, often contemplating unique relationships, cause and effect scenarios and extended capabilities of their projects and endeavors. Common characteristics of entrepreneurs include:

Willingness to learn: Entrepreneurs have an insatiable appetite for learning new things. They read, study, experiment and test new ideas regularly. As they do so, they determine what works, learning from failure as it happens.

Engaging personality: Entrepreneurs are exciting individuals who engage in the world around them. They are leaders with the ability to build teams of people who can fulfill a task, while setting and achieving goals in the process. Their ability to sell others on their innovative ideas allows them to pursue dreams, often turning them into realities.

Strong moral compass: Entrepreneurs value their reputation. They understand the importance of networking and work hard to preserve their integrity. Entrepreneurs are honest people willing to do whatever it takes in business, providing their reputation doesn't get tarnished in the process.

Resource-oriented abilities: Entrepreneurs are resourceful. Finding answers and solutions is like second nature to them. They are organized, detail-oriented people willing to do research and ask for help when necessary.

INNOVATION CHARACTERISTICS:

Innovation necessarily invents and expands on new and existing ideas. Innovators promote growth in communities by responding to their needs and desires. In their quest to solve community dilemmas, develop economically sound environments and create culturally responsible enterprises, innovators often work to achieve prevailing community goals. Common innovation characteristics are:

Uninhibited intellectual freedom: Innovation solves problems in unique and varied ways. Innovators often think abstractly, recognizing the implications of their inventions and trouble-shooting before long-term

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problems result.

Ability to overcome obstacles: Change, while often necessary, isn't always embraced readily by communities. Innovation introduces ideas, communicating them effectively so that they are accepted by the majority. Innovators are well versed in the psychology of human feelings, emotions and personalities. Their ability to work with others enables the development of new ideas.

Strong sense of integrity: Innovators slowly become trusted members of communities. Their innovations must stand the test of time. The integrity of innovators is constantly being tested in the interim. Obstacles and hurdles are faced and overcome in this dynamic phase of integrating new inventions into established communities.

Goal-oriented productivity: Innovation relies on ideas for its development. Then it creates the process that transforms viable ideas into realistic goals for production. Gradually, innovators introduce progressive advancements into communities, meeting and exceeding the needs of citizens on a grand scale.

Entrepreneurship's willingness to learn and innovation's uninhibited intellectual freedom are characteristics that naturally complement each other. One is open to possibilities, while the other explores them readily. The engaging personality of entrepreneurs combines easily with innovation's ability to overcome obstacles. Entrepreneurs and innovators both engage the community and are required to communicate effectively to achieve desired results.

Irreproachable reputations make the work of entrepreneurs and innovators easier to accomplish. They work together promoting the greater good and serving communities responsibly and with integrity. Simultaneously, entrepreneurs use resources to turn their ideas into realistic and achievable goals.

CONCLUSION:

The success of Entrepreneurship depends up on the level of innovative skills of the entrepreneur, that's why there is a direct relationship between entrepreneurship and innovation.