

# **“Traits and approaches with Entrepreneurship definitions and its transformation with different phases of any Venture.”**

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## **Abstract**

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### **1.**

**Purpose** – To study the evolving nature of different definitions of Entrepreneurship with various stages in Venture development. Scope of Entrepreneurship transformation with respect to its traits and approaches. Concept of Creation logic/thinking as pedagogical tools and techniques for any successful Venture creation.

**Design/Methodology/approach-** Based on the literature reviews and available reports on the evolution and definition related to Entrepreneurship is analyzed. This paper therefore has expressed the views of author and concepts related to the definitions and approaches involved in evolution of Entrepreneurship definitions depicted in the literature reviews.

**Findings** – It is found that ever since there is economic/industrial evolution, the definitions and trends of Entrepreneurship keep changing according to contemporary world, especially in India as per the different traits and approaches towards venture creation. Further and continuous study is required to dig deeper to find out the new and more efficient concepts and theories for Entrepreneurial activities towards betterment of society. There is concept of Creation logic which can be implemented in Indian Start-up Ecosystem for sustainable Entrepreneurship.

**Research Limitations/Implications** – Quantifying entrepreneurship is very difficult since its dynamic nature, so further research should be conducted to relate entrepreneurship with different organizations with respect to lenses of pedagogical tools and techniques.

**Originality/Value** – Defining and categorizing the different types of Entrepreneurships with respect to the different stages of any venture with traits and approaches involved is least explored.

**Paper Type** – Literature Review

### **2. Introduction**

In recent world, the term Entrepreneurship has grown with such a versatility that it is quite interesting to think how it was perceived in the start of industrial evolution of world. The origin of Entrepreneurship and evolution of definitions of it are recent only with various evolving school of thoughts from time-to-time with respective industrial traits and trends.

This phenomenon hence constitutes a particular approach towards the entrepreneurial scope in India and pedagogical shift from traditional perspectives in learning Entrepreneurship. Globally, businesses are experiencing a huge shifting for sustainable model because of shrinking natural resources, degrading biodiversity and environment. So, innovation is taking place with every sector and industry with rise of Entrepreneurial behaviour.

### **Entrepreneurship w.r.t Industrial Revolutions, (World and India)**

In the earliest period, MARCO POLO can be considered first entrepreneur who tried to establish trade routes to the far east. His method was to sign a contract with the venture capitalist to sell his products. [1]. In early sixteenth century, the Frenchman who used to do military expeditions were considered as an entrepreneur. In 18<sup>th</sup> and 19<sup>th</sup> century. traders from this period, from the colonial times till golden age, this was the era which includes entrepreneurs that invented solution to the problems. Benjamin Franklin invented newspaper and print shop.

The industrial revolution saw manufacturing shift from small towns to larger cities. In the 1<sup>st</sup> Industrial revolution, invention of (a) STEAM ENGINE

(b) STEAM LOCOMOTIVES etc are considered few important products resulted from the innovative minds towards the solution of social issues and problems. **Richard Cantillon, Adam Smith, Jean Baptiste** were main authors who propounded the definition based on Macroeconomics, this earlier definition also indicated the definition of Entrepreneurship as an informal and the environment within which an entrepreneur works is also informal. [2]. **According to Richard Cantillon in 1734, the persons whose income are not fixed are entrepreneurs.** In this time period, a new factory system with concept of owner and manager came into existence. It was in Britain and the United States where first Stock Exchanges was formed during 1770s and 1790s. Adam Smith, advocated a system of free-market characterized by individual ownership of methods of production and little to no government interference. **According to Jean Baptiste in 1803 said, entrepreneurs are someone who unifies various factors of productions together to produce a product and thus collect rent in the process.**

During 1<sup>st</sup> and 2<sup>nd</sup> world war, many inventions and innovations took place with respect to the needs of military purposes and 2<sup>nd</sup> phase of industrial revolution. From the year 1880 – 1900, many tech savvy entrepreneurs came into existence, like THOMAS EDISON who invented Electricity (Electric bulb) 1879. Most of the businesses around that time started using the electricity and were transformed because of it. Airplane was invented this time with a view of advance vehicle for transportation. This time was considered, time of new industries, new industrial organizations and source of new types of energy. Main cause of this change can be considered as the struggle between the social classes, capitalism, increasing population, environmental degradation etc. 19<sup>th</sup> -20<sup>th</sup> century can be considered as the time period of continuation of industrial revolution and in this time the Entrepreneurs were viewed mostly from the economic perspective. Advancement of literacy and education became the wheel of social and industrial advancement led to the new forms of Entrepreneurial activities. Schumpeter, 1934 who is also called Father of Entrepreneurship gave the definition of Entrepreneurship as “Innovation” needs to be distinguished from the invention and innovations are novel combinations of Knowledge, resources and equipment etc. with a commercial product”. The world economy became increasing global with every passing decade, after the both world wars.

In the late 80s and early 90s, a big technological change came in the form of Internet and computers which redefines Entrepreneurship and brought a wave of venture creation based on technology. Bill Gates, Steve Jobs are some examples of successful Entrepreneurs. **Peter Drucker** puts opportunity seeking and change characteristic for Entrepreneurship whereas **Michael McClelland (1960)** propounds achievement trait required for entrepreneurship. **1985**, in his book “**Innovation and Entrepreneurship**” **Peter Drucker defines innovation as: “It is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service.** (ELSEVIER, 2015)

#### **INDIA**

**Post-Independence era:** Harappan civilization is an example where barter system was there and trading was very known feature of business. In medieval Indian there used to be trading between Mughals and other rulers. But in 17<sup>th</sup> Century the method of trading started changing completely with European investments. Grouping of Indian traders into a Joint stock association for the purpose of textile business with Europeans was very significant phenomena. Under the rule of Britain, the economic development of India was centred on the growth of British Private enterprising. In 1853, to penetrate the Indian Markets Railways were introduced and causes the entry of manufacturing industries and it was the time when many entrepreneurs came into existence, like: **C. DAVAR, JRD TATA, LR KIRLOSKAR, BAJAJ**. etc.

The first enterprise established in India is said to be TISCO in 1907 in Jharkhand by TATA. **Post-Independence**, the Indian Government came up with First industrial policy 1948. Several institutions were started and many small and medium enterprises established. Dr. Varghese Kurian was the one who came up with world’s first Buffalo milk powder plant and later he founded “AMUL” in Anand Gujarat in 1957. Moving forward we can see that in year 2016, the START-UP India Scheme was launched by the Government. MMP AKHOURI a renowned writer has stated in his book “**Entrepreneurship-Concept, Nature & Need**” that Entrepreneurship is the result of four dominant factors “**1. The socio-economic systems 2. Support system 3. The resource system 4. And Seld-Sapphire system.** These four systems are interrelated, interacting and constantly adjusted with each other with the evolving industry / market growth.

#### **Industry 4.0**

Technology is the driving force which is causing the change all across the society. Workplaces have evolved digitally. In this era of COVID-19 virus and hence Lockdowns all across the world, we have seen that almost everything comes into the online and CLOUD platform, if it is Online teaching, Video-conferencing, Work-from-Home, Online Teaching etc. So, we can say that today we are evolving around a CYBER-PHYSICAL phenomenon which is why the birth of Entrepreneurship can be seen in areas like

- (i) **Augmented Reality and Virtual Reality** (ii) **IoTs** (iii) **Artificial Intelligence** (iv) **Additive Manufacturing** (v) **Advanced Robotics** (vi) **Cyber Security** (vii) **Cloud computing BIG DATA**

As per the report of World Economic Forum, (FORUM, 2021) rapidly growing enterprises with entrepreneurial mindset are viewed as an important source of Innovation, productivity growth and employment. In the emerging economies around 97% of Jobs are created because of this latest trend in the market. In entrepreneurship ecosystem, basically three

areas are of pivotal importance as per the different Entrepreneurs, first is accessible markets, second is human capital/workforce and third one is funding & finance. Entrepreneurs themselves plays multiple important roles in the creation of any entrepreneurial ecosystem. So, we can summarize the five important roles as, – mentorship – inspiration -investment-new founders and new employees.

Therefore, it can be derived from the above discussions that, Entrepreneurship is evolved and get impact because of several factors that are continuously changing and interrelated with each other, for example: (i) Personal Traits, (ii) Environment, (iii) People, (iv) Place, (v) Resources (vi) New Opportunities (vii) Invention and Innovation (viii) Demand and Supply of market (ix) Trends (x) Social changes (xi) Economic Changes (xiii) Creativity

**There are different school of thoughts/approaches which governs the variety of business practices and facilitates creation of new ventures.**

**Table 1**

<b>Industrial revolution</b>	<b>Entrepreneurial Model</b>	<b>Example of Entrepreneurships</b>	<b>Situation</b>	<b>Central Focus or Purpose</b>
Industry 1.0	“Leadership School” Classical School	Small Business Entrepreneurships Innovative Entrepreneurship	Early Growth & Maturity	Entrepreneurships are leaders of people, they have the ability to adapt their style to the needs of people, Innovation
Industry 2.0	“Classical school” “Great Person School” “Psychological characteristic school”	Social Entrepreneurship, Innovative Entrepreneurship “Large scale Entrepreneurship	Start-up and Early Growth, Maturity	Innovation, Need and wants of people, Inborn Intuitions Innovation
Industry 3.0	“Management School” “Leadership School” Psychological Characteristics	Imitative Entrepreneurship Ecopreneurship, Agripreneurship, Social Entrepreneurship Large company Entrepreneurship Innovative Startup	Early Growth, Maturity, Start-up	Intuitive ability, Attitude and needs which drive the Entrepreneurs Entrepreneurs can be developed or trained in management
Industry 4.0	Management School. Intrapreneurship school Leadership School Psychological Characteristic school	Techno-preneurship Scalable start-up Entrepreneurship Innovative start-ups, Sustainable Entrepreneurship Digital Entrepreneurship	Early Growth and Maturity, Start-up Maturity and Change	Development of independent units to create market and expand service, Have the ability to adapt the style to the needs of people, Organizers of economic ventures,

				Have unique values
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So, it can be assumed from the above table, context is very important perspective or one of the important aspects of change and innovation that leads to the entrepreneurial fit of an individual towards his effort for establishing any venture, its development and growth. (Audretsch, 2012) has put some concepts for the classification of Entrepreneurship as:

- **Entrepreneurship as organizational context:** Size of the firm decides what kind of entrepreneurship it would follow. According to Birch (1981), in a small firm the creation by employees is better. Similarly, Age is another criterion for describing Entrepreneurship. New firms and business are considered more entrepreneurial than their older counterparts.
- **Entrepreneurship based on performance criteria:** INNOVATIVE and GROWTH are two types based on which we can define entrepreneurship. Venture capitalist used to select those firms who have the potential to be highly innovative and generates high rate of growths.
- **Entrepreneurship as Behavior:** there are two key elements in the entrepreneurial behavior, One, is Ability to recognize an opportunity or the ability to create the opportunity, Second, is exploitation or commercialization of the opportunity.

Therefore, it can be assumed from the above literatures that development and scope of Entrepreneurship with respect to its various definitions and approaches is very important aspect to learn. It's the base of formation and growth of ventures like Incubation centers, Accelerators, Start-up companies, family business. **As we have tried to check the growth of Entrepreneurship with changing economic activities, India is also influenced with this phenomenon from a very long time. But here we will check some latest reports available to see how Indian start-up ecosystem has evolved.**

Over the time the Government has implemented policies for the promotion of SMEs, training in the development of Entrepreneurship among the citizens of India. The National Institute for Entrepreneurship and Small Business Development (NIESBUD) (1983) at Noida (Uttar Pradesh), National Institute for Micro, Small and Medium Enterprises (NI-MSME) (1960) at Hyderabad, and Indian Institute of Entrepreneurship (IIE) (1993) at Guwahati are few noted organizations which established with the aim for motivating entrepreneurial culture in India.

In the year 2016, Jan 16<sup>th</sup>, Government of India launched a program for supporting the Entrepreneur is START-UP India initiative and the aim is to build a robust start-up ecosystem, hence transforming India as place of Job Creators not as Job seekers. As per the report (2016-2020), 41,317 start-ups are recognized so far by DPIIT (Department of Promotion of Industry and Internal Trade) and hence 4.7 lacs jobs are reported by 39,000+ start-ups. Rs.4509 Crore of investment is made in 384 start-ups through the govt. funding scheme. Also, it can be noted that in the 590+ districts of India there is at least one recognized Start-up and moreover it is very encouraging to know that among

these start-ups, 44% have women director.

This data has shown that there is demand and a continuous growth of making start-ups in India which has become a prime source of Employment with Liberal values. This phenomenon is very important for the socio-economic development of any country. (INDIA, 2020)

Top 8 highlighted sectors of START-UPS in India:

- Ed-Tech
- Health & Wellness
- Financial Services & Nbfcs
- Saas & Remote-Working Tools
- E-Commerce & Delivery Based Services
- Ott Platforms & Online Gaming
- Pharma, Life Sciences & Labs/Pathology
- Managed Office Spaces

Therefore, it can be easily understandable that India is growing exponentially with inclusion of various kinds of organization which motivates the individuals and industry to come up with certain ideas for a successful venture. Ventures can be formed and encouraged with the help of organizations and systems like Incubation Centers, Accelerators etc. which helps Entrepreneurs in many ways from Mentoring to funding activities. So, it is important to know about them and their roles in the evolution of Entrepreneurship in any society.

### **Incubators And Accelerators**

**Type 1. Incubation Centers:** It is a unique and highly flexible facility of business process which combines business development, infrastructure and people to design and nurture new venture.

**Corporate Incubators:** *Sequoia Capital, Veddis Venture, TCS incubation team, Mahindra MSS, CISCO LAUNCH PAD, Bihar Industries Association*, etc are few names under this category. As per the literature review, the **START-UP, GROWTH** and **MATURITY** phase of entrepreneurship and hence its definition can be put under the **Classical School** and **Management school, Leadership School of thought**. Sequoia Capital is venture capital firm which ensures the faster growth of Start-ups, similarly Veddis Venture is a corporate incubator which is investing in IT, Social networking, media etc. with their office in Europe, Asia.

**Local Economic Development Incubators:** CIBA GOA focuses on clean technology, Food Processing etc. I-create also known as Gujarat foundation for Entrepreneurial Excellence focuses on Innovation and technology. Technovate Innovations focuses in the healthcare and logistic field in Bangalore, **B-Nest Foundation** of *Bhopal Smart City Development Corporation*, BECSTEP Bangalore, etc. are few names. Their business practices primarily focus in providing mentorships in certain domains of business practices and establishing new ventures;

Therefore, we can say that for the definition of entrepreneurship, such type of incubating organizations falls under START-UP and Early Growth, Maturity stage of any venture, thus can be categorized under **Classical school, Management School and Leadership School of thought. Academic Incubation Centers:** SINE IIT Bombay, Research Park IIT Madras, CIIE, IIM Ahmedabad, AFBIC IIT Kharagpur, NSRCL IIM Bangalore, Amity Innovation Centre etc are few names which are constituted in the universities of India and are quite successful. They target the external projects and the academic internal projects, motivating the students specially facilitate them methodologies and training to come up with viable, innovative ideas in market from start to exit of any venture.

Hence, we can say that term entrepreneurship is quite evident in all three major phases of venture, which is, Start-up, Early Growth and Maturity, Change.

### **Type 2. Accelerators**

Accelerators are an entity which helps the ventures to grow at their early stage into a self-sustaining business model within a short period of time. **GINSERV, MICROSOFT ACCELERATOR, INDIAN ANGEL NETWORK, GOOGLE LAUNCH PAD** are few names. They provide tailor-made programs of duration from few months to few years, by trainings and organizing workshops etc. for mentoring, providing infrastructures, business advisories etc. to the entrepreneurs. According to their business models, the school of Intrapreneurship and Management school of thought defines the different stages of Entrepreneurship like Maturity and Change.

**As, we can see that a Venture undergoes different stages in their entrepreneurial lifecycle, it is important to have a glance on such phases.**

### **Phases of Ventures**

**Idea:** It is the very conception of Birth of any venture.

**Startup:** A venture is now born with services and products in production legally.

**Growth:** The Venture is growing with terms of Customers and Revenues etc.

**Established:** It is matured and has made its presence in the market with some loyal customers.

**Expansion:** This phase symbolizes the expansion in different markets with variety of distribution channels.

**Mature:** This is the stage where the company needs to take decision whether to expand further or exit. It is the time to decide whether the founder of company needs to stay and reap the fruits of years of hard work or shutting down the venture / sell the same.

Apparently checking these phases, there are some questions come into someone's mind like what are viable methods that can be implied towards a sustainable entrepreneurship for establishing, growth and maturity of any venture. If we can observe carefully, all the definitions of Entrepreneurship and its approaches, points out the fundamental concept which is, Being Entrepreneurial is a better option than to plan of becoming an entrepreneur.

Planning may lead to a dead end but natural instinct always leads to one option to several other ones.

As we have discussed the respective approaches, scopes for facilitating, definition of Entrepreneurship and its relationship for any Venture creation, it is worth to know that how much is the successful rate of any venture into turning up into an established company. As per the data 20% start-up failed within 1<sup>st</sup> year

- Over 50% start-up failed within 5 years
- Only 40% of start-up are profitable (**HERING, 2020**)
- 30% start-ups are continually losing money and 30% are break even.

So, 90% of Indian start-ups failed with initial five years, and only one among the five manages to come up from the surface.

The question is, in spite of providing all sorts of facilities and encouragements by both private and government agencies why is this situation? Definitely there can be multiple factors behind the same but one core phenomenon identified by Dr. S Saraswathi (UVA, US) is concept of Creation Logic. It is the concept which says that Creation logic works better than predictive logics as it encourages to find the unorthodox solutions with multiple exit options, combining changing and reapplying the existing ideas. It's a thinking framework and removes a stereotype entrepreneurial mindset and encourages non-predictive control over the mind.

It gives the wide and proven scope of success in Venture development, growth and maturity as it is related to the core cognitive ability and interest of an individual. By practicing Creation logic for entrepreneurship, one can manage affordable losses hence the success rate for a more mature and sustainable venture is possible with this phenomenon.

## **Conclusion**

As we can see that Entrepreneurship is evolving continuously within time to time, effected by various explicit and implicit factors, it will be interesting to study those factors for further research in details. The approach and context are changing however the core necessity of Entrepreneurship is always same which is, to become self-sustainable. Behind the evolution and revolution of any market and industry is several factors and they can facilitate new approaches/school of thoughts, which is eventually behind the transformation of definitions of Entrepreneurship.

These phenomenon causes the addition or deletion of stages/phases for the successful creation and growth of any Venture.

To curb the issues behind failures of any start-up or venture it is important to check the tools and technique involved. Inducing pedagogical tools and techniques can be the one way of modifying the entrepreneurial mindset which can further provides a new approach for the transformation of Entrepreneurship and its definition. Creative learning or Logic can be one of the evolving theories which needs to be researched more specifically with context to Indian Start-up Ecosystem. Pedagogical tools and techniques based on this concept can be further utilized in early stages of Entrepreneurial thinking in school and colleges as well as in Incubation centers etc. for development of Entrepreneurship in academic institutes and organizations.

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