

# Types of entrepreneur and their features



## **Entrepreneur:-**

An entrepreneur is a person who is the owner of a new enterprise, venture or idea and is accountable for the inherent risks and the outcome. To put it in simple words an entrepreneur is someone who seeks the opportunity, organizes resources needed for working out on that opportunity and exploits it. Computers, Television, Mobile phones, washing machines, ATMs, Credit Cards, Courier Service, and Ready to eat Foods are all examples of entrepreneurial ideas that got changed into products or services.

Some of the definitions of entrepreneur have been given below:

Joseph. A . Schumpeter defines an entrepreneur as a person who innovates, raises money, assembles inputs, chooses managers and sets the organization going with his ability to identify opportunities which others are not able to identify and is able to make use of them.

Peter Drucker defines an entrepreneur as one who always searches for a change responds to it and exploits it as an opportunity. An entrepreneur innovates. Innovation is a specific instrument of success available to entrepreneur

Characteristics of an Entrepreneur:

Mental Ability – Entrepreneur must have creative thinking and is able to analyze problems and situations. He should be able to foresee changes.

Business Secrecy – He should hide and protect his business secrets from his competitors.

Clear Objectives – The objectives has to be clear in his mind regarding the nature of business and goods to be produced.

Human Relations – The relationship between the entrepreneur, customers and employees e. t. c. has to be good. It is important to maintain personal relations, tactfulness, stability in emotions and consideration with customers, employees, etc.

Communication Ability – Good communication skill is the asset for any entrepreneur as it eases the understanding between anyone working or dealing within or outside the company.

Source: Desai, V (2001). Dynamics of entrepreneurial development & Management. Himalaya Publishing House.

### **So we can say that an ENTREPRENEUR:**

- Is a person who develops and owns his own enterprise.
- Is a moderate risk taker and works under uncertainty for achieving the goal.
- Is innovative
- Reflects strong urge to be independent.
- Persistently tries to do something better.
- Dissatisfied with routine activities.
- Prepared to withstand the hard life.

- Determined but patient
  
- Exhibits sense of leadership
  
- Also exhibits sense of competitiveness
  
- Takes personal responsibility
  
- Is Oriented towards the future.
  
- Tends to persist in the face to adversity
  
- Converts a situation into opportunity.

### **Entrepreneurship:-**

The word entrepreneurship is derived from the French verb “ Enterprendre”.

The French men who organised and led military expeditions in the early 16th century referred to as Entrepreneurs.

Entrepreneurship is the act of being an entrepreneur, which can be defined as “ one who undertakes innovations, finance and business insight in an effort to change innovations into economic goods”. This may result in new organizations or may be part of revitalizing mature organizations in response to a perceived opportunity. The most understandable form of entrepreneurship is that of starting a new business (referred as Startup Company); however, in recent years, the term has been extended to incorporate social and political forms of entrepreneurial activity.

According to A. H. Cole – “ Entrepreneurship is the purposeful activity of an individual or group of associated individuals, undertaken to initiate, maintain

or aggrandize profit by production or distribution of economic goods or services”.

According to Peter. P. Drucker – “ Entrepreneurship is neither a science nor an art. It is a practice. It is knowledge base. Knowledge in entrepreneurship is a means to an end, that is, by the practice”.

Source: Cole A. H. (1959), Business enterprise in its social setting.

Cambridge: Harvard University press.

### **Types of Entrepreneur and their features:**

**Business Entrepreneurs** – It refers to the individuals who conceive an idea for the product or service and makes the business around it. For example – Pen production and marketing. The establishment of the business can be of big and small in size.

**Trading Entrepreneurs** – It refers to the person who is not considered with manufacturing but only undertakes trading activities. He is the one who identifies market, stimulates demand for product line among buyers.

**Industrial Entrepreneurs** – Essentially a manufacturer, a person who identifies the need of a customer and tailors a product. They are the one who converts economic resources and technological resources in to profitable ventures. for example electronic industry and textile units.

**Corporate Entrepreneurs** – A person who demonstrates his innovative skill in organising and managing corporate undertaking.

Agriculture Entrepreneur – It refers to the person who undertakes agricultural activities as raising and marketing of crops, fertilizers etc. Example – agricultural tourism and manufacturing and marketing of fertilizers.

Technical Entrepreneurs – Its can be considered as a craftsman. They concentrate more on production and less or negligible on sales.

Source: Scott, S. (2003). A General Theory of Entrepreneurship: the Individual-Opportunity Nexus, Edward Elgar

## **STEVE JOBS**

Steve Jobs is an American inventor and the CEO and co-founder of Apple Inc., a primary manufacturer of electronic devices including the Macintosh Computer (MAC), iPod, iPhone, and the music and video software iTunes. He was CEO of Pixar Animation Studios until it was acquired by Disney in 2006. Although he is known as a business and sales tycoon, Steve Jobs is credited with many of the electronic inventions now patented by Apple.

Steven Paul Jobs was born in San Francisco on 24th February 1955 to Joanne Carole Schieble and Syrian Abdulfattah John Jandali and adopted by Paul and Clara Jobs. He attended the Cupertino Middle School followed by high school at Homestead H. S. in the same town of Cupertino. He spent his childhood in the South Bay area, a region that would later become known as Silicon Valley. During high school Jobs held a summer job at the Hewlett-Packard Company in Palo Alto prior to attending college. His original association with Steven Wozniak began was a result of attending lectures and working at HP.

Although he attended Reed College in Portland, Oregon, Steve Jobs never graduated, having only spent about six months at college. He returned to California in 1974 and began attending meetings of the Homebrew Computer Club with his friend Wozniak. At the same time he took a job at Atari to save money for a spiritual retreat to India. While working there he discovered that a popular whistle recreated the tones needed to make long distance phone calls with AT&T. Jobs convinced Wozniak to go into business with him to create “ blue boxes” and sell them to people wishing to make free long distance phone calls.

Jobs ended up backpacking through India but returned to work with Atari. He continued to work with Wozniak on other projects and finally convinced him to market a computer Wozniak had built for himself. On April 1, 1976, Apple Inc. was born. Although the business started with printed circuit boards, Steve Wozniak and Steve Jobs eventually created their first personal computer, the Apple I, and sold it for \$666.66. They later followed it with the Apple II, a large success for their business. Apple Inc. began selling shares in December of 1980.

As the company grew, so did its merchandise and the hugely successful Macintosh was introduced to the public in 1984 and became the first personal computer with a graphical user interface (GUI) through which individuals could interact with the items on the screen.

Steve Jobs was the founder and inspiration for the Apple Company, but he was slowly pushed out for “ aggressive and underhanded tactics” Employees said he had a temper, and was usually stubborn After an internal power

struggle, he was eventually kicked off the board of directors Jobs protested and resigned, even though he stayed the chairman for some time. He was so upset, he sold all but one of his Apple shares During this time, Jobs bought what became “ Pixar” from Lucas film for \$5 million He also started the computer company “ NeXT Computer” Though it never went very mainstream, due to high costs, it was responsible for many important innovations, including “ NeXTMail”, Jobs email program that supported embedded graphics and sounds and the original World Wide Web system (www).

As Apple grew even more, Jobs experienced tension with the board and the struggles led to Jobs leaving Apple in May of 1985. Steve Jobs went on to create the company called NeXT in 1986. Although it began as a company designed around aesthetic interpersonal computing, it later focused more on software development. NeXT ended up playing a major role in the development of email and the worldwide web.

In 1986, Jobs bought The Graphics Group (later renamed Pixar) from Lucas film’s computer graphics division for the price of \$10 million, \$5 million of which was given to the company as capital.

In 1996, Apple announced that it would buy NeXT for \$429 million. The deal was finalized in late 1996 bringing Jobs back to the company he co-founded. He soon became Apple’s interim CEO after the directors lost confidence in and ousted then-CEO

Apple bought NeXT in 1996 and reinstated Jobs as the Chief Executive Officer. His current annual salary is \$1, but he receives executive gifts from

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the board that give better tax advantages than does his salary. He is well known for his work ethic as well as his bad temper, but has consistently helped to grow Apple from a company bordering on bankruptcy in the 1990s to a very successful company today. Steve Jobs has helped establish the new electronic divisions and personally helped to create the iPod, iPhone, and other personal devices.

Source: Steve Jobs, (2011). Long Bio [Online] Available at: <http://www.allaboutstevejobs.com/bio/long/01.html> ( Accessed: 23 March 2011)

### **Achievements:-**

He was awarded the National Medal of Technology from President Ronald Reagan in 1984 with Steve Wozniak (among the first people to ever receive the honour) and a Jefferson Award for Public Service in the category “Greatest Public Service by an Individual 35 Years or Under” (aka the Samuel S. Beard Award) in 1987.

On November 27, 2007, Jobs was named the most powerful person in business by Fortune Magazine.

On December 5, 2007, California Governor Arnold Schwarzenegger and First Lady Maria Shriver inducted Jobs into the California Hall of Fame, located at The California Museum for History, Women and the Arts.

In August 2009, Jobs was selected the most admired entrepreneur among teenagers on a survey by Junior Achievement.

On November 5, 2009, Jobs was named the CEO of the decade by Fortune Magazine.

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In November 2009 Jobs was ranked #57 on Forbes: The World's Most Powerful People.

In December 2010, the Financial Times named Jobs its person of the year for 2010.

Steve is in the Guinness Book of World Records as the “ Lowest Paid Chief Executive Officer”, with a salary of just \$1.

Source: Pena, M. (2005). Steve Jobs to 2005 graduates: ‘ Stay Hungry, stay foolish’ [online]. Available at: <http://news.stanford.edu/news/2005/june15/grad-061505.html> (Accessed: 24th March 2011)

### **Steve Jobs as an entrepreneur:-**

It is evident that most of the entrepreneurs come from the various age levels, income levels, genders and race and from different ethical backgrounds. They have their own set of personal attributes which includes: Creativity, dedication, determination, flexibility, leadership style, passion, self- confidence and smart these all attributes makes them stand out of the crowd.

**Creativity:-** In today's fast paced world competitive business environment requires companies to implement the process of innovation- It is a process of generating a new idea leading to start or make, a new or existing business firm or idea to reach a new successful level.

**Dedication: -** Success in any business can be achieved by the conscious effort and dedication. Any entrepreneur always does the things on right time with right planning and ideas adjoined with the hard work, this leads

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business to a successful venture. Dedication towards work encourages them to work hard. For them money is not the priority, it's the rewards which plays the vital role.

**Flexibility:-** It is very important for business because sometimes situation demands changes in plans and strategy, entrepreneur should use flexibility in order to correct mistakes, errors and in efficiencies. It is a way of handling a business with authority to change when the system demands. A Successful entrepreneur always has to be ready to make any changes according to the customers demand. Example:- Apple first comes up with the iPod in the market but when they realize that there is a market demand for Phone incorporated with the media player, they introduced their new invention Iphone .

**Leadership: –** According to Steve Jobs, Focus is critical for effective leadership, with so many options choosing the right one can be extremely difficult. Small changes can have big results, if you focus on the key issues and execute relentlessly on those key issues. To focus on the most important issues means you have to say not to a whole range of alternative opportunities. As a leader you have to be ready for setbacks. Setbacks are the part of life and whether you become successful or not often depend on your ability not to give up. It is a attribute to show that Never-say-die team.

Source: HGIC (2011). Steve Jobs, Entrepreneur(Reed College) [Online].

Available at: <http://geekornot.com/corporate/steve-jobs-entrepreneur-reed-college/> (Accessed 26th march 2011)

## **Leadership Style:-**

Autocratic style: – Steve jobs admit that he used to handle incredible amount of workforce, at a time up to 100 individuals reports directly to him. The fact that there are so many individuals' reports to him directly represents his will and eagerness to hold the command in his hands. Total control is the certainly the basis of leadership.

Transformational style: – Steve jobs has transformed many companies in to a success stories. He brings major positive changes in the company. For example he has transformed Pixar in to a success story. In transformation he enabled others to look out for each other, to be encouraging and harmonious, and to look out company as a whole.

Passion: – Steve jobs is very much passionate about whatever he is working on. This is very evident with his cocky attitude and lack of humane quality of a transformational leader. He enhances the motivation, morale and performance of his follower group. Some people characterize him as a charismatic leader because of his passion for work.

Source: David Kramer. DK (2010). Leadership behaviour and attitude of Steve jobs. WordPress 15th February [Online]. Available at:

<http://davidkramer.wordpress.com/2010/02/15/leadership-behaviours-and-attitudes-of-steve-jobs/> (Accessed: 1st April 2011)

## **Management Strategy of Steve Jobs:-**

In an interview with Fortune, Steve jobs opened up his management style, The things which he said is illustrated below:-

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SWOT analysis – you should know about your strengths and weaknesses as soon as you start a company.

Spotting opportunities – We need to spot the opportunities for improvement. You have to spot them and then create an environment to leverage that opportunity and to make it happen.

Improve Productivity – as an entrepreneur we should know what customers want and how to improve our own productivity. Look for the ideas which can improve your team and customers.

Competitive advantage – taking help with the IT or making their platform i. e. hardware or software systems closed can create a competitive advantage.

Succession planning – planning includes working together for a common goal. It is important to have succession planning so that business can run even at the time of unfortunate event.

Focus – focus on the most important issues which are relevant to the business and avoid issues and projects which not add value to the business.

Talent acquisition – Steve jobs always look for the talent who are strategically fit for the business and can be a good fit in the culture of the company. Always welcome open hands for the new talent so that the new hiring will not feel difficult to adjust.

Handling barriers and roadblocks – In many cases that could mean stopping projects altogether to take stock of current situations or to change the

direction. There is no shame in that as the project has to deliver the project's core objective.

Customer conversion – It refers to utilisation of company's resources and potential in such a way which can create opportunities in attracting additional customers.

Source:- CNN (2008). America's most admired companies: Steve Jobs speaks out [online] Available at: [http://money.cnn.com/galleries/2008/fortune/0803/gallery\\_jobsqna\\_fortune/](http://money.cnn.com/galleries/2008/fortune/0803/gallery_jobsqna_fortune/) (Accessed: 3rd April 2011)

## **Comparison with Bill Gates**

It is obvious that Bill Gates and Steve Jobs have very different personalities. There are however, interesting parallels. For example, they both started with one business partner each who shared a common vision. To me though, the most important thing they both share is that they positioned themselves at the right time to take advantage of a massive growth surge in personal computing.

Steve jobs and bill gates have both worked very hard to fulfil their vision to develop personal computers, but the way they choose things and makes decisions are somewhat different.

Steve Jobs invented the Apple computer, which was one of the earliest personal computers, he also invented the Mac Book and of course the ever popular iPhone. While Bill Gates invented the Microsoft Windows operating system as well as the first mass produced personal computers.

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Both of these business tycoons are extremely rich, however, Bill Gates wealth is by far the biggest. He's estimated to have assets over \$50 billion dollars. However, a Steve Jobs only has \$5 billion dollars worth of assets.

Steve Job's leadership is autocratic style, because he centralizes the authority, he never given a chance to subordinate to involving decision making. He thinks that whatever he do is right. Sometimes he acts as anti Gates, and sometimes request Microsoft to develop software for his computer. His cocky attitude and lack of management skills became a threat of APPLE'S success. On the other hand Bill Gate's leadership is participative style because he involves his subordinate in decision making. He is a flexible person and he recognized his role was to be visionary of the company. Gates is a strong and energizing person his enthusiasm, hard working nature, judgment skills reflect his personality. His motivating power and involving his friends to working with him became the success of Microsoft.

Source: Recomparison. (No date) Steve Jobs vs. Bill gates [Online] Available at: <http://recomparison.com/comparisons/100295/steve-jobs-vs-bill-gates/> (Accessed: 8th April 2011)

## **Task 2**

### **The criteria's used by Steve Jobs for selecting and implementing new business ventures:-**

No business comes in to existence without any purpose. The main primary common purpose for any business is making profits. To satisfy that need and the needs of customers companies put more emphasize on providing high quality products, goods and services.

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It would be not correct to say that the main priority for a business is to make money. Definitely a company needs profits to continue, but profits are not what business is for. No business sticks to the same strategy that what it adapted initially. Most of the business changes their policies and strategies according to the change in a business environment.

Do what you love to do – Do things which you really like to do. Put your heart and soul in it.

Be different – Stand out from the crowd by making different things and working differently.

Do your best – Always give your best whenever you indulge in a work. Hard work gives success and success generates more success. Be hungry for success and hire people with passion for excellence.

Make SWOT Analysis – Perform SWOT analysis of the work. Make list of strengths and weaknesses of your company. Don't hesitate to fire people who are not good for the company.

Start small, think big – Don't go for everything in one go, start by small and gradually stride towards the main big goal. Don't think about the today only Aim at the future.

Strive to become market leader – Make efforts to grab things which can give your business a competitive advantage over competitors. For example use the better technology available in the market.



Focus on the outcome – people judge you by performance. So focus on giving a good outcome. If the users don't know about your product or its feature then advertise it. Show them how it works.

Ask for feedback – Ask customers first. They can give you a proper feedback that what they like about your product and what they dislikes. Use feedbacks for future developments.

Innovate – Concentrate on the things which are better and are really useful to the business. Avoid things which can put you on the wrong track. Try to hire and make things which nobody have thought of.

Learn from failures – Innovations sometimes leads to mistakes. So admit it quickly and use measures to avoid it resulting in improved innovations.

Source: – Young, Jeffery S. (1988). Steve Jobs, the Journey Is the Reward.

Lynx Books

### **Important aspects to look before venturing a new market:-**

Need for the product or service – Whether you're starting a new product, service or organization, there needs to be a strong market for it. One should always check and verify needs in the market for the particular product or service. You'll have to have enough evidence to convince an investor or funder or to yourself that yes there is really a need in the market. The nature of the product, who are the competitors and what makes your product different or more needed by the customer. For example increasing demand for palmtops leads Steve jobs to introduce I Pad in the market.

The basic purpose of the business – if you are starting a new business then you have to state the purpose of your business, mission statement has to be there. All the goals and objectives have to be pre-defined.

Risk involvement – What are the risks to the business if the product didn't work in market as expected. Risk from existing competitors in the market. Insurance cover has to be there to curb up the losses incurred. Steve jobs did took the risk of competing with Microsoft.

Financial status for business planning – Analyse the balance sheets, cash flow statements and income statements. It will help in knowing that where the business stands in financial terms. Are there sufficient finances available for making new moves. This will give the clear picture of the performance of business.

Human resource- Look for the individuals who are best in that very field. Avoid those who can do what everybody is doing. Try those individuals who do things better, can work effectively and efficiently, generate innovative ideas. Steve Jobs has also performed talent scout to reach those people who are highly skilled and can work better than others.

Market Trend – Entrepreneur should know the trends going on in the market. This can leads a business in to profit maximization. For example when Steve Jobs found that there is a need and trend for a phone with built-in media player, he then comes up with the innovative idea of Iphone.

Source: – Chavez, J. (No Date). Apple CEO Steve Jobs demonstrates the Millionaire Mindset [Online]. Available at: <http://ezinearticles.com/?Apple->

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CEO-Steve-Jobs-Demonstrates-the-Millionaire-Mindset&id= 1682475

(Accessed: 4th April 2011).

## **Conclusion:-**

Steve Jobs is unquestionably an extraordinary man by any standard. He has left his mark on no less than five industries: personal computers with Apple II and Macintosh, music with iPod and iTunes, phone with iPhone, and animation with Pixar. The middle-class hippie kid who left his education in between and built a computer empire and became a multi-millionaire in a few years, was fired from his own company before coming back a decade later to save it and turn it into one of the world's most influential corporations, with millions of fans around the world. He has also contributed to the creation of the new leader in animated movies for decades to come. He has been called a fluke for years, but is now widely acknowledged as one the world's most eminent business executives and an unrivalled visionary. He has changed millions of lives by making technology easy-to-use, exciting and beautiful.... And you know what the best part is? He's not done yet.

Source: The Business Library (No Date). Great Entrepreneurs: Steve Jobs - Apple Founder [Online] Available at: <http://www.thebusinesslibrary.co.uk/great-entrepreneurs/steve-jobs> (Accessed 5th April 2011)