

## DEFINITION OF ENTREPRENEUR TODAY

The concept of an entrepreneur is further refined when principles and terms from a business, managerial, and personal perspective are considered. In particular, the concept of entrepreneurship from a personal perspective has been thoroughly explored in this century. Third exploration is reflected in the following three definitions of an entrepreneur:

In almost all of the definitions of entrepreneurship, there is agreement that we are talking about a kind of behavior that includes: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

To an economist, an entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order. To a psychologist, such a person is typically driven by certain forces: the needs to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others. To one businessman, an entrepreneur appears as a threat, an aggressive competitor, whereas to another businessman the same entrepreneur may be an ally, a source of supply, a customer, or someone who creates wealth for others, as well as finds better ways to utilize resources, reduce waste, and produce jobs others are glad to get.

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individuals who assume the major risks in terms of equity, time and/or career commitment or provide value for some product or service. The product or service may or may not be new or unique, but value must somehow be infused by the entrepreneur by receiving and locating the necessary skills and resources.

Although each of these definitions views entrepreneurs from a slightly different perspective, they all contain similar notions, such as newness, organizing, creating, wealth, and risk taking. Yet each definition is somewhat restrictive, since entrepreneurs are found in all professions—education, medicine, research, law, architecture, engineering, social work, distribution and government.

Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

This definition stresses four basic aspects of being an entrepreneur regardless of the field. First, entrepreneurship involves the creation process—creating something new of value. The creation has to have value to the entrepreneur and value to the audience for which it is developed. This audience can be (1) the market of organizational buyers for business innovation, (2) the hospital's administration for a new admitting procedure and software, (3) prospective students for a new course or even college of entrepreneurship, or (4) the constituency for a new service provided by a nonprofit agency. Second, entrepreneurship requires the devotion of the necessary time and effort. Only those going through the entrepreneurial process appreciate the significant

amount of time and effort it takes to create something new and make it operational. As one new entrepreneur so succinctly stated, “While I may have worked as many hours in the office while I was in industry, as an entrepreneur I never stop thinking about the business.” Assuming the necessary risks is the third aspect of entrepreneurship. These risks take a variety of forms, depending on the field of effort of the entrepreneur, but usually center around financial, psychological, and social areas. The final part of the definition involves the rewards of being an entrepreneur. The most important of these rewards is independence, followed by personal satisfaction. For profit entrepreneurs, money becomes the indicator of the degree of success.

For the person who actually starts his or her own business, the experience is filled with enthusiasm, frustration, anxiety, and hard work. There is a high failure rate due to such things as poor sales, intense competition, lack of capital, or lack of managerial ability. The financial and emotional risk can also be very high. What, then, causes a person to make this difficult decision? The question can be best explored by looking at the decision process involved in becoming an entrepreneur.

Hisrich, PhD, Robert D., Michael P. Peters, PhD and Dean A. Shepherd, PhD. Entrepreneurship. 6 ed. New York: McGraw-Hill Irwin, 2005.