

Module 1: The Entrepreneurial Mindset & Foundation

Topic 1: Introduction to Entrepreneurship

This note provides a deep dive into the fundamental concepts of entrepreneurship, its historical context, and its vital role in modern society.

1. What is Entrepreneurship?

At its core, entrepreneurship is the **act of being an entrepreneur**. While a manager runs an existing business, an entrepreneur creates the business. It involves:

- **Identification of Opportunity:** Seeing a need that others have overlooked.
- **Innovation:** Finding a new way to solve that need.
- **Risk Management:** Taking calculated chances to bring the solution to life.

2. Historical Perspective

The term "Entrepreneur" originates from the French word *entreprendre*, which means "to undertake."

- **The Classical View:** Early economists viewed entrepreneurs as "risk-takers" who bought goods at a certain price to sell them at an uncertain price in the future.
- **The Modern View:** Today, entrepreneurship is seen as **creative destruction** (a term by Joseph Schumpeter). This means entrepreneurs "destroy" old, inefficient ways of doing things by creating new, better ways.

3. Entrepreneurship vs. Intrapreneurship

It is important to distinguish between these two:

- **Entrepreneur:** Starts their own independent venture. They own the business and take all the financial risks.
- **Intrapreneur:** An employee within a large organization who uses entrepreneurial skills to innovate *inside* that company. They have the safety of a salary but less freedom than an independent entrepreneur.

4. Role of Entrepreneurship in Economic Development

In a developing economy, entrepreneurs act as the "engine" of growth:

- **Productivity:** They introduce new technologies that make work faster and cheaper.
- **Capital Formation:** They encourage people to invest their savings into productive businesses rather than keeping money idle.
- **Export Trade:** Entrepreneurs often produce goods that can be sold to other countries, bringing in foreign currency.
- **Social Change:** They break traditions by introducing unique goods and services that change how people live and work.

5. The "Why" of Entrepreneurship

People choose this path for various reasons:

1. **Independence:** The desire to be "one's own boss."
2. **Financial Reward:** The potential to earn more than a fixed salary.
3. **Self-Actualization:** The need to prove that an idea can work and to leave a legacy.
4. **Service:** The drive to help their community solve a specific problem.

Summary for Students: Entrepreneurship is not just about "selling things." It is a professional discipline that requires a mix of passion, planning, and the courage to change the status quo.