

University Center Abdelhafid Boussouf-Mila

Faculty of Economics, Commercial &

Management Sciences

Lecture five: Entrepreneurship



Addressed to Master one Students-Semester 2

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What is Entrepreneurship?

The basic definition of entrepreneurship is the act of starting a business with the intention of turning a profit. However, in our modern age, the concept of entrepreneurship has expanded to include the act of transforming the world by solving large-scale problems. With the advent of the internet, entrepreneurship has the power to create social change through the creation of a service or product that affects individuals in positive ways and addresses social issues with innovative ideas.

Entrepreneurship is also an opportunity for self-motivated individuals to create their own career path and income, working for themselves to develop goods or services that people want or need. It's a risky approach to making a living, but it can result in amazing rewards and lasting success.

Entrepreneurship is the dynamic process of creating and managing a business venture with the aim of achieving success and profitability. It involves identifying opportunities, taking calculated risks, and innovating to create value in the marketplace

Entrepreneurship stands as the cornerstone of economic progress and societal evolution. It's the driving force behind innovation, job creation, and wealth generation. At its core, entrepreneurship embodies the spirit of seizing opportunities, taking calculated risks, and transforming visions into reality.

What is an Entrepreneur?

An entrepreneur is someone with the ability and desire to start and run a new business, taking risks to make profits. Think of it like starting a fresh venture. Entrepreneurs are often seen as innovators, bringing new ideas to replace old ones in the market.

This could range from small home businesses to big multinational companies. In economics, an entrepreneur's profits come from using land, resources, labour, and capital. In short, anyone determined to start a new company willing to face the associated risks can be an entrepreneur.

Types of Entrepreneurship

Check here for four different types of Entrepreneurship:

1. Small Business Entrepreneurship:

Typically, these entrepreneurs run their own businesses, often hiring family members or local employees.

Their goal is to make a profit to support their families rather than aiming for huge business success.

They may fund their business through small business loans or loans from friends and family.

Examples include a hairdresser, grocery store owner, travel agent, consultant, carpenter, plumber, electrician, etc.

2. Scalable Startup Entrepreneurship:

Start-up entrepreneurs in this category aim to change the world with their vision.

They seek investors who appreciate unconventional thinking.

These entrepreneurs focus on scalable business models and experiments, hiring the best talent.

They often require significant venture capital to support their ambitious projects.

3. Large Company Entrepreneurship:

Big companies have a defined life cycle and sustain by innovating around their main products.

They adapt to technological changes, customer preferences, and new competition.

Pressure for innovation may lead these companies to create new products or acquire innovative enterprises.

4. Social Entrepreneurship:

This type of entrepreneurship is centered around creating products and services that address social needs and problems.

The primary goal is to contribute to society rather than maximizing profits.

These entrepreneurs focus on making a positive impact on communities and addressing social issues.

Qualities of an Entrepreneur

Successful entrepreneurs share specific qualities that contribute to their achievements. Here are the top ten qualities every Entrepreneur needs:

Risk-Taking Courage: Successful entrepreneurs need the ability to take risks, understanding that failure is part of the journey.

Innovation Prowess: Being highly innovative is crucial, whether it's introducing a new product or improving existing processes for efficiency and cost-effectiveness.

Clear Vision and Leadership: A successful entrepreneur has a clear vision for their venture and possesses leadership qualities to guide and motivate their team toward success.

Open-Minded Approach: Seeing opportunities in every circumstance is essential. Being open-minded allows entrepreneurs to capitalize on situations, as seen with Paytm during the demonetization period.

Flexibility in Adaptation: Flexibility is key. Entrepreneurs should be adaptable to changes in products or services based on evolving situations, ensuring sustained success.

Product Knowledge: Entrepreneurs must intimately understand their product offerings and stay updated on market trends. This knowledge is vital for meeting current market demands and making necessary tweaks for improvement.

Resourceful Problem-Solving: Successful entrepreneurs are resourceful in solving problems. They find creative solutions to challenges that may arise in the business environment.

Resilience and Perseverance: Resilience is crucial for bouncing back from setbacks. Perseverance helps entrepreneurs stay focused on long-term goals despite challenges.

Customer-Centric Focus: A customer-centric mindset is essential. Understanding and meeting customer needs contribute to sustained business success.

Adaptation to Market Trends: Entrepreneurs should be aware of and adapt to the latest market trends, ensuring that their products or services remain relevant and in demand.

Importance of Entrepreneurship

Check the below points for the Importance of Entrepreneurship:

Job Creation: Entrepreneurship plays a vital role in creating jobs, offering entry-level opportunities for unskilled workers to gain experience and training.

Innovation Hub: It serves as a hub for innovation, bringing forth new products, markets, technologies, and improved quality of goods. This innovation contributes to enhancing people's quality of life.

Community Development Impact: Entrepreneurship positively impacts society by diversifying and expanding the employment base. This leads to societal changes and supports community development, fostering better education, improved sanitation, reduced slums, and increased homeownership.

Improved Standard of Living: By boosting income levels, entrepreneurship helps enhance the standard of living. This improvement is reflected in the increased consumption of various goods and services by households over a specific period.

Support for Research and Development: Entrepreneurs invest in research and development, partnering with research institutions and universities. This financial support promotes research, contributing to the overall progress and development of the economy.

Overall, Entrepreneurship is a dynamic and rewarding path that offers opportunities for personal and professional growth. By embracing the entrepreneurial mindset, seizing opportunities, and leveraging key principles such as innovation, adaptability, and persistence, individuals can embark on a journey of creativity, impact, and success in the world of business.

Terms

1. Entrepreneurship - ريادة الأعمال
2. Startup - شركة ناشئة
3. Innovation - الابتكار
4. Venture Capital - رأس المال المغامر
5. Business Model - نموذج العمل
6. Angel Investor - مستثمر ملائكي
7. Scalability - قابلية التوسع

8. Pitch - عرض تقديمي
9. Prototype - نموذج أولي
10. Market Research - بحث السوق
11. MVP (Minimum Viable Product) - المنتج الأدنى الممكن
12. Bootstrapping - تمويل ذاتي
13. Lean Startup - الشركة الناشئة الرشيقية
14. Elevator Pitch - العرض التقديمي في المصعد
15. Disruption - الاضطراب
16. Incubator - حاضنة الأعمال
17. Accelerator - مسرعة الأعمال
18. SWOT Analysis - تحليل SWOT
19. Co-founder - شريك مؤسس
20. Exit Strategy - استراتيجية الخروج
21. Business Plan - خطة العمل
22. Return on Investment (ROI) - عائد على الاستثمار
23. Networking - التواصل الاجتماعي
24. Intellectual Property - الملكية الفكرية
25. Crowdfunding - التمويل الجماعي
26. Risk Management - إدارة المخاطر
27. Value Proposition - القيمة المقترحة
28. Exit Plan - خطة الخروج
29. Equity - حصة في رأس المال
30. Cash Flow - تدفق النقدية
31. Scale-up - التوسع
32. Customer Acquisition - اكتساب العملاء
33. Disruptive Innovation - الابتكار المختلف
34. Pivot - تغيير الاتجاه
35. Agile - لدن
36. ROI (Return on Investment) - عائد على الاستثمار

- 37. Prototype - نموذج أولي
- 38. Market Validation - التحقق من السوق
- 39. Intellectual Property - الملكية الفكرية
- 40. Value Chain - سلسلة القيمة
- 41. Business Development - تطوير الأعمال
- 42. Proof of Concept - دليل على المفهوم
- 43. Break-even Point - نقطة التعادل
- 44. E-commerce - التجارة الإلكترونية
- 45. Blue Ocean Strategy - استراتيجية المحيط الأزرق
- 46. Green Entrepreneurship - ريادة الأعمال الخضراء
- 47. Social Entrepreneurship - ريادة الأعمال الاجتماعية
- 48. Intellectual Capital - رأس المال الفكري
- 49. Competitive Advantage - ميزة تنافسية
- 50. Return on Equity (ROE) - عائد على حقوق المساهمين