

3.8.2 Characteristics of Entrepreneurship

Entrepreneurship is a process of setting up a new business organization. It is one who decides to build a business career by finding the market options and mobilizing resources. The following are the characteristics of entrepreneurship.

- 1) **Innovation-** Entrepreneurship is an innovation. The introduction of new combination of various factors of productions is innovation. A new product arrives in the market, uses new production technology, discovers new source of supply of raw materials and opens a new market for the specific product. In view of changing taste of consumers from time to time, entrepreneurship focuses on the research and development to produce goods to satisfy the customers.
- 2) **Economic activity-** An entrepreneur produces a new product for the customers as per their needs. He feels the need of this to satisfy human wants and as well in exchange earn a better livelihood. It is a systematically planned activity as per the skills and knowledge of entrepreneur. Hence entrepreneurship is an economic activity.
- 3) **Organization Building-** It is an activity where various factors of production have to be organized. Place utility, time utility, form utility etc. has to be considered to collect them under one roof for new production.
- 4) **Creative activity-** Innovation should have a strong support of creativity. Introducing creativity in producing something new is a big challenge for the entrepreneur. Thus creativity is an essential part of entrepreneurship.
- 5) **Managerial skill and leadership-** A person who wants to be a successful entrepreneur should have more passion of doing something new than just earning profit. Leadership and managerial skills are the most important facets of entrepreneurship. Other skills can be considered secondary. An entrepreneur must have the ability to lead and manage.
- 6) **Skillful management-** The success of any entrepreneurship depends on the management of the organization. With professional management and skilled managers, entrepreneurship becomes successful activity.
- 7) **Risk Bearing-** Uncertainty is defined as a risk which can not be insured against and is incalculable. Entrepreneur is an agent who buys factors of production at certain prices, in order to combine them into a product, to sell them at uncertain prices in future. Thus they too are risk-bearing agents in production.
- 8) **Gap filling function-** The most significant feature of entrepreneurship is gap filling. It is the entrepreneur's job to fill the gap or make up the deficiencies which always exist in the knowledge about the production function.