



CHARACTERISTICS OF ENTREPRENEUR

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Karsanbhai Patel's incredible story



From selling door to
door detergent to
'Sabki Pasand Nirma'

- 1970, Nirma became the first company to initiate and produce products for rural consumers.
- Nirma's USP in the market is price.
- Nirma's strategy, directed at providing quality at an affordable price, enabled it to establish the brand in the market quickly.
- It started retailing its washing powder at a price significantly lower than the market rate to take on HUL's Surf.
- Operating in the small-scale sector, Nirma saved an enormous amount of excise duty which MNCs—including HUL—had to pay.
- Working to be the lowest-cost detergent manufacturer in the world, it adopted a backward-integration strategy which reduced its costs by 25 per cent.
- Self-sufficiency in key raw materials protects it against commodity cycles besides yielding substantial savings in raw material cost.
- Following the completion of backward integration, it focused on building large volumes and gaining from economies of scale.
- Also, till 1985 the ingredients for the detergent were simply mixed by hand, requiring neither machinery nor capital investment.
- The scale of the product combined with the simple nonmechanized production process enabled Nirma to gain a number of tax and excise benefits for not using electricity. Further, Nirma, being a cottage industry, was not compelled to abide by minimum wage rules and saved millions in labour costs. These cost-effective product offerings have resulted in an impressive growth in the market share of Nirma in rural India

- Entrepreneur is a person who starts an enterprise. Tangible
- The process of creation is called entrepreneurship.
- The entrepreneur is the actor and entrepreneurship is the act. The outcome of the actor and the act is called the enterprise. Entrepreneurship is the outcome of complex socio-economic, psychological and other factors

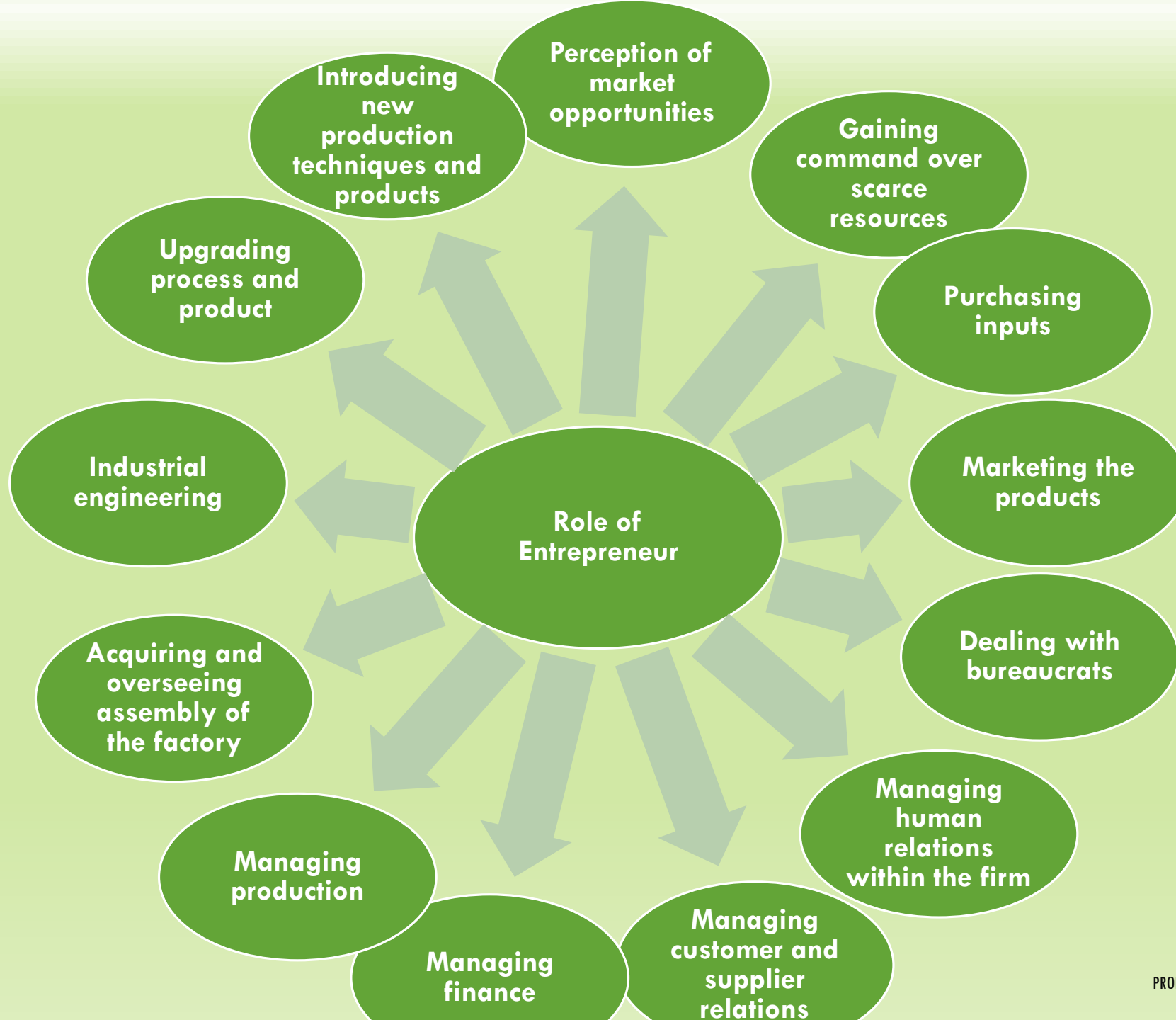
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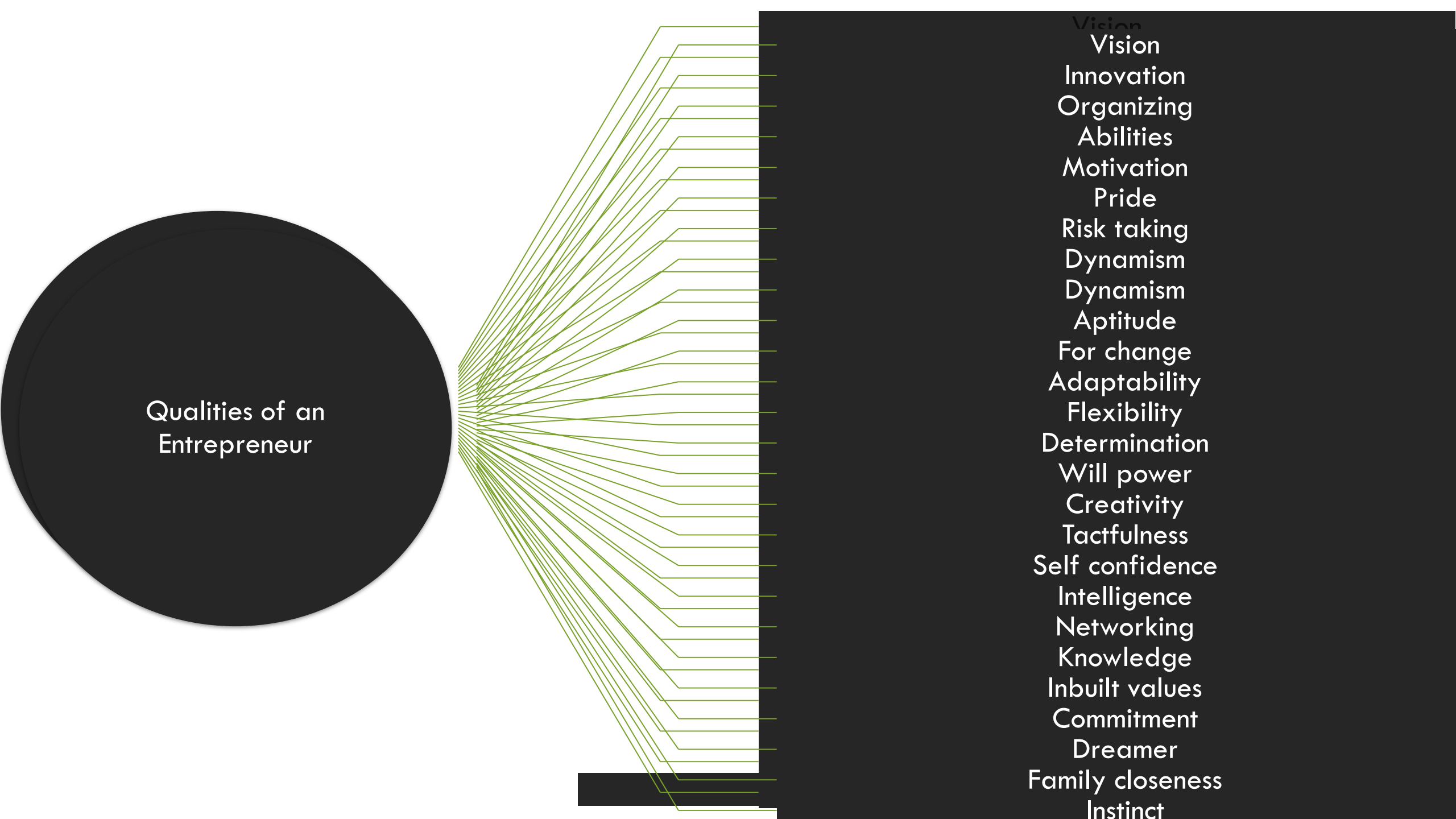
- The Entrepreneur has an enthusiastic vision.
- The Entrepreneur's vision is an interlocked collection of specific ideas.
- The overall blueprint to realize the vision is clear.
- The Entrepreneur promotes the vision with enthusiastic passion.
- The Entrepreneur develops strategies to change the vision into reality.
- The Entrepreneur takes the initial responsibility to cause a vision to become a success.
- Entrepreneurs take prudent risks.
- An Entrepreneur is usually a positive thinker and a decision maker.



ADVANTAGES OF ENTREPRENEURSHIP

- Enormous personal financial gain.
- Self-employment, offering more job satisfaction and flexibility of the work force.
- Development of more industries, especially in rural areas or regions disadvantaged by economic changes, for example due to globalization effects.
- Encouragement of the processing of local materials into finished goods for domestic consumption as well as for export.
- Income generation and increased economic growth.
- Promotion of the use of modern technology in small-scale manufacturing to enhance higher productivity.
- Encouragement of more researches/ studies and development of modern machines and equipment for domestic consumption.
- Development of entrepreneurial qualities and attitudes among potential entrepreneurs to bring about significant changes in the rural areas.
- Freedom from the dependency on the jobs offered by others.





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