UNIT 7

Entrepreneurship In Digital Age

Students Learning Outcomes

After completing this unit students will be able to:

- Define the term entrepreneurship
- Identify different types of entrepreneurs and present few examples of entrepreneurs.
- Differentiate between traditional and digital entrepreneurship along with examples.
- Summarize the entrepreneurship process.
- Analyze how traditional could use technology to improve or scale their business.

7.1 What is an entrepreneur?

An entrepreneur is an individual who initiates a new business and bears most of the risks associated and enjoys most of the rewards. It is an entrepreneur who starts a business venture and is responsible for its development. The process of setting up a business is known as entrepreneurship. The entrepreneur is also commonly known as an innovator who sources new ideas, goods, services, and business/or procedures.

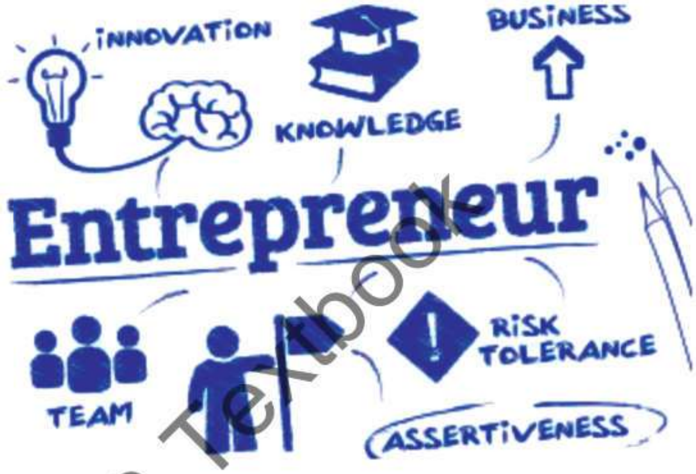
Fig. 7.1 Entrepreneurship

Entrepreneur plays a vital role in any economy and its development. It requires the use of the skills and initiative necessary to anticipate demands and bring good ideas to market. Entrepreneurship that proves to be successful in taking on the risks of creating a startup is rewarded with profits, fame, and continued growth opportunities. Entrepreneurship that fails results in losses and less prevalence in the markets for those who are involved.

7.2 Types of Entrepreneurships

Here are the different types of entrepreneurships:

1. Small business entrepreneurship
2. Large company entrepreneurship
3. Scalable startup entrepreneurship
4. Social entrepreneurship
5. Innovative entrepreneurship
6. Hustler entrepreneurship
7. Imitator entrepreneurship
8. Researcher entrepreneurship
9. Buyer entrepreneurship



1. Small business entrepreneurship

People are interested in small business entrepreneurship are most likely to make a profit that supports their family and a modest lifestyle. This is why most of the businesses are small scale entrepreneurship. The people in this venture are not seeking large-scale profits or venture capital funding. Small business entrepreneurship is often when a person owns and runs his own business and typically hire local employees and family members. Local grocery stores, hairdressers, small boutiques, consultants and plumbers can be categorized in this category of entrepreneurship.

Fig. 7.2 Small grocery store

2. Large company entrepreneurship

Large company entrepreneurship is when a company has a finite amount of life cycles. This type of entrepreneurship is for an advanced professionals who acquire the knowledge of how to sustain innovation. They are often a part of a large team of C-level executives. Large companies often create new services and products based on consumer preferences to meet market demand. Small business entrepreneurship can turn into large company entrepreneurship when the company rapidly grows. This can also happen when a large company acquires them. Companies such as Microsoft, Google and Disney are examples of this kind of entrepreneurship.

3. Scalable startup entrepreneurship

This kind of entrepreneurship is when entrepreneurs believe that their company can bring an revolution in the world. They often receive funding from venture capitalists and hire specialized employees. Scalable startups hunt for things that are missing in the market and create solutions for them. Many of these types of businesses start in Silicon Valley and are technology-focused. They seek rapid expansion and big profit returns. Examples of scalable startups are Facebook, Instagram and Uber.

4. Social entrepreneurship

Fig. 7.3 Social entrepreneurship

An entrepreneur who wants to solve social problems with his/her products and services is in this category of entrepreneurship. The primary goal is to make the world a better place. They don't work to make big profits or wealth. Instead, these kinds of entrepreneurs tend to start nonprofit or companies that dedicate themselves to working toward social good.

5. Innovative entrepreneurship

Innovative entrepreneurs are people who are continuously coming up with new ideas and inventions. They take these ideas and turn them into business ventures. They often target the change in the way people live for the better. This is why innovators tend to be very motivated and passionate people. They look for ways to make their products and services stand out from other things on the market. People like Steve Jobs and Bill Gates are examples of innovative entrepreneurs.

6. Hustler entrepreneurship

People who are willing to work hard and put in consistent effort are considered hustler entrepreneurs. They often start at small scale and work hard towards growing a bigger business with developing skills rather than capital. Their aspirations are what motivates them, and they are willing to do what it takes to achieve their goals. They are willing to experience challenges to get what they want. For example, someone who is a hustler is willing to cold call many people in order to make one sale.

7. Imitator entrepreneurship

Fig. 7.4 Imitator entrepreneurship

Imitators are entrepreneurs who use others' business ideas as inspiration but work towards improving them. They look to make certain products and services better and more profitable. An imitator is a combination of an innovator and a hustler. They are willing to think of new ideas and work hard but the fact remains that they start with some one's inspiration. People who are imitators have a lot of self-confidence and determination as they learn from others' mistakes when making their own business.

8. Researcher entrepreneurship

Researchers take their good time when starting their own business as they want to have the complete knowledge of the product before offering it. They are firm believer in the fact that with the right preparation and information, they have a higher chance of being successful. A researcher makes sure they understand every aspect of their business and have an in-depth understanding of what they are offering. They tend to rely heavily on facts, data and logic rather than their intuition. Detailed business plans are important to them and minimize their chances of failure.

9. Buyer entrepreneurship

A buyer is a type of entrepreneur who uses his/her wealth to fuel the business ventures.

They use their fortunes and monies to buy businesses that they think will be successful. They identify promising businesses, its potential and look to acquire them. Then, they make any management or structural changes they feel are necessary. Their target to grow the businesses with potential as they invest to expand their profits. This kind of entrepreneurship is less risky because they are purchasing already well-established companies.

Examples of digital/Traditional entrepreneurship?

There are numerous entrepreneurs who have shown the world remarkable digital evolution for success. Below mentioned are some notable examples of digital entrepreneurship in detail:

- Baqar Jafri is a financial journalist and a tech entrepreneur who has graduated from the Institute of Business Administration with a BS degree in Economics and is one of the top entrepreneurs in Pakistan. He plays a significant role in providing people with exact direction about investment in the stock exchange. He is the CEO of 'Investor Longue,' a platform that helps people to make easier investment decisions. The startup is also very helpful for beginner entrepreneurs to take positive steps and invest in profitable categories on the stock exchange.

- Nabila Maqsood is currently amongst the top rank entrepreneur in Pakistan. She is a talented and hardworking makeup artist who started her first salon in 1986. At that time, she did not receive much appreciation, but currently, she is well known and on the top of the list in the fashion industry. With her stepping into the fashion industry, she has brought many innovations. The startup she has established from her servant quarter and cutting the hair of her friends and family members has become a famous brand. Nabila Maqsood has also started her makeup brand named ZERO Makeup.

- Elon Musk is a true genius, and only a fool will deny this fact. He is a visionary genius who first created online Payment Network "PayPal" that changed digital payments landscape. This platform was sold to eBay for US$ 1.5 billion proving its worth to the world. Elon Musk has also completed other ventures like SpaceX and Tesla that make him one of the most completed entrepreneurs of all time.

- A renowned name on the list of successful entrepreneurs in Pakistan is Noman Sikandar, founder of Foodpanda. He completed his master's degree in business administration from Lancaster University. He was also the founder of EatOye.

Foodpanda is a famous and valuable food delivery mobile application. Startups have the status of the most successful and perfect services nowadays. However, he has started the journey with his partner from three tables. He is nominated for the best entrepreneur in Pakistan for his persistent struggle.

❖ Usama Arjumand is the Founder & CEO of Shopsy.pk – a shopping search engine powered by machine learning and AI. The eCommerce platform offers over 8 million products from 300 online stores and serves over 1 million monthly visitors. Shopsy is currently one of the top 5 most visited shopping platforms in Pakistan.

Usama started his career journey in the United Kingdom more than a decade ago, graduating from the University of Nottingham in 2008 with a BEng in Mechanical Engineering. He has extensive experience in building business ventures and is also currently the Director of Gallery 6, the largest private art gallery in Islamabad. His venture prior to Shopsy, a global marketplace for art, was acquired in the UK.

Differences in Traditional Business and Digital Business

Traditional business has a physical presence. It serves people locally by providing services or products. People themselves visit locating the stores whereas talking about e-commerce business, people in any corner of the world can scroll through the web and find the store. They can shop at any time of the hour and receive the products and services easily. Various companies providing digital marketing services are making the best use of this new business trend.

For the entrepreneurs, who are confused to decide between traditional and digital business must know their differences. Knowing these differences will surely help one to decide. It is because different businesses are suited to different types of markets. Some may want local customer to attract while some wish international customers depending on the size and type of the organization.

Here is a comparison between traditional and digital marketing.

Overhead costs

E business generally has less or no overhead costs because they do not need to have a physical site to sell their product and services. They have a web presence and so people can reach them through internet. People involved in traditional business have to select a prime location, find a place to set and then rent it. For traditional businessmen, the costs do not end up till renting the business. They also need online presence and that cost cannot be eliminated. They have to seek help from digital world like SEO services or paid services to attract the target customers.

Convenience to the customers

The competition is undoubtedly in the favor of e-commerce shopping because of customer's reliability. Shopping sites such as – Amazon, Flipkart and Myntra have replaced the thoughts of people getting out of their houses in search of quality products. However, there are a bunch of people who still prefer live shopping to physically examine the product before purchasing.

Marketing programs

There is no doubt in the fact that digital businesses need to have more budget to spend in their marketing programs where in traditional business have limited budget and limited options. Marketing programs in digital world include blogs, attention to social media, content ads etc. Traditional marketers very often take help of this business transformation. They also have to take care of the other modes of marketing such as newspaper ads and pamphlets.

Reputation in front of the customers

No matter how hard e commerce business is working to shine bright, but in terms of reputation, traditional marketers are ahead till date. It seems to be more reliable to the people in terms of the product quality. Traditional marketing exists for more than a century now so people still trust traditional marketing most of the times. Reputation would build up with time and consistency of the brand in case of both digital as well as traditional business set ups.

Time and reliability

When it comes to save time and money in this fast life, e commerce businesses are preferred by people. People can shop in their workplaces by just going through it and make easy transactions. Be it debit, credit, net banking or cash on delivery option. The services are available 24* 7 and so you can shop your favorite items even in the odd hours. There are easy returns and exchanges without any questioning. With this much of reliability, people are loving e-commerce and other web services.

So, these were some of the prominent differences between traditional and digital business. These differences surely do not uplift any of the two but it clearly tells the nature of both kinds of businesses.

Activity	Traditional Mode	E-Commerce Equivalent
Information Collection	Direct Visit	Internet
Marketing	Advertisements, Exhibitions	Website
Pre-Contract Negotiation	Telephone, Fax, Direct Visit	E-mail
Customs Procedures	Paperwork and visiting	Electronic Environment
Banking and Payments	Credit Letters, Bank Drafts	Online Banking
Logistics	Guarantee Letters	Online booking and home delivery

Table 1: Differences between E-Commerce and traditional systems

	Traditional Business Strategy	Digital
Attain a place in the markets	Difficult	Easy
Production and storage	Difficult	Easy
Deployment	Slower	Faster
Workplace	Physical Reunion	Virtual Meeting
Organizational commitment	Easier	More difficult
Contact Style	Face to Face	Using computer and Digital technologies
Organizational structure	Hierarchical	Flexible and collaborative

Table 2. Differences between Traditional and Digital Entrepreneurship

Entrepreneurship Process

1. Discovery
2. Concept Development
3. Resourcing
4. Actualization
5. Harvesting

Fig. 7.5 Entrepreneurship process

1.Discovery

An entrepreneurial process begins with the generation of an idea, wherein the entrepreneur identifies and evaluates the business opportunities. The identification and the evaluation of opportunities is a difficult task; an entrepreneur seeks inputs from all the persons including employees, consumers, channel partners, technical people, etc. to reach to an optimum business opportunity. Once the opportunity has been decided upon, the next step is to evaluate it.

An entrepreneur can evaluate the efficiency of an opportunity by continuously asking certain questions to himself, such as, whether the opportunity is worth investing in, is it sufficiently attractive, are the proposed solutions feasible, is there any competitive advantage, what are the risk associated with it. Above all, an entrepreneur must analyze his personal skills and hobbies, whether these coincides with the entrepreneurial goals or not.

2. Developing a Business Plan

Once the opportunity is identified, an entrepreneur needs to create a comprehensive business plan. A business plan is critical to the success of any new venture since it acts as a benchmark and the evaluation criteria to see if the organization is moving towards its set goals.

An entrepreneur must dedicate his sufficient time towards its creation, the major components of a business plan are mission and vision statement, goals and objectives, capital requirement, a description of products and services, etc.

3. Resourcing

The third step in the entrepreneurial process is resourcing, wherein the entrepreneur identifies the sources from where the finance and the human resource can be arranged. Here, the entrepreneur finds the investors for its new venture and the personnel to carry out the business activities.

4. Managing the company

Once the funds are raised and the employees are hired, the next step is to initiate the business operations to achieve the set goals. First of all, an entrepreneur must decide the management structure or the hierarchy that is required to solve the operational problems when they arise.

5. Harvesting

The final step in the entrepreneurial process is harvesting wherein, an entrepreneur decides on the future prospects of the business, i.e. its growth and development. Here, the actual growth is compared against the planned growth and then the decision regarding the stability or the expansion of business operations is undertaken accordingly, by an entrepreneur. The entrepreneurial process is to be followed, again and again, whenever any new venture is taken up by an entrepreneur, therefore, it's an ever-ending process.

Analyze how traditional could use technology to improve or scale their business.

1. Manage Projects More Easily, Effectively, and Efficiently

Technology has enabled business owners and leaders to stay on top of their projects by tracking time and progress. With web-based project management tools like Basecamp, Manymoon, and Podio, you can efficiently collaborate with your teams and share access on documents.

Apps like Roambi can read your business data, analyze it and turn it into reports through graphs on your iPad. In Apple is an App called Keynote, which is more relative to PowerPoint regarding the presentation.

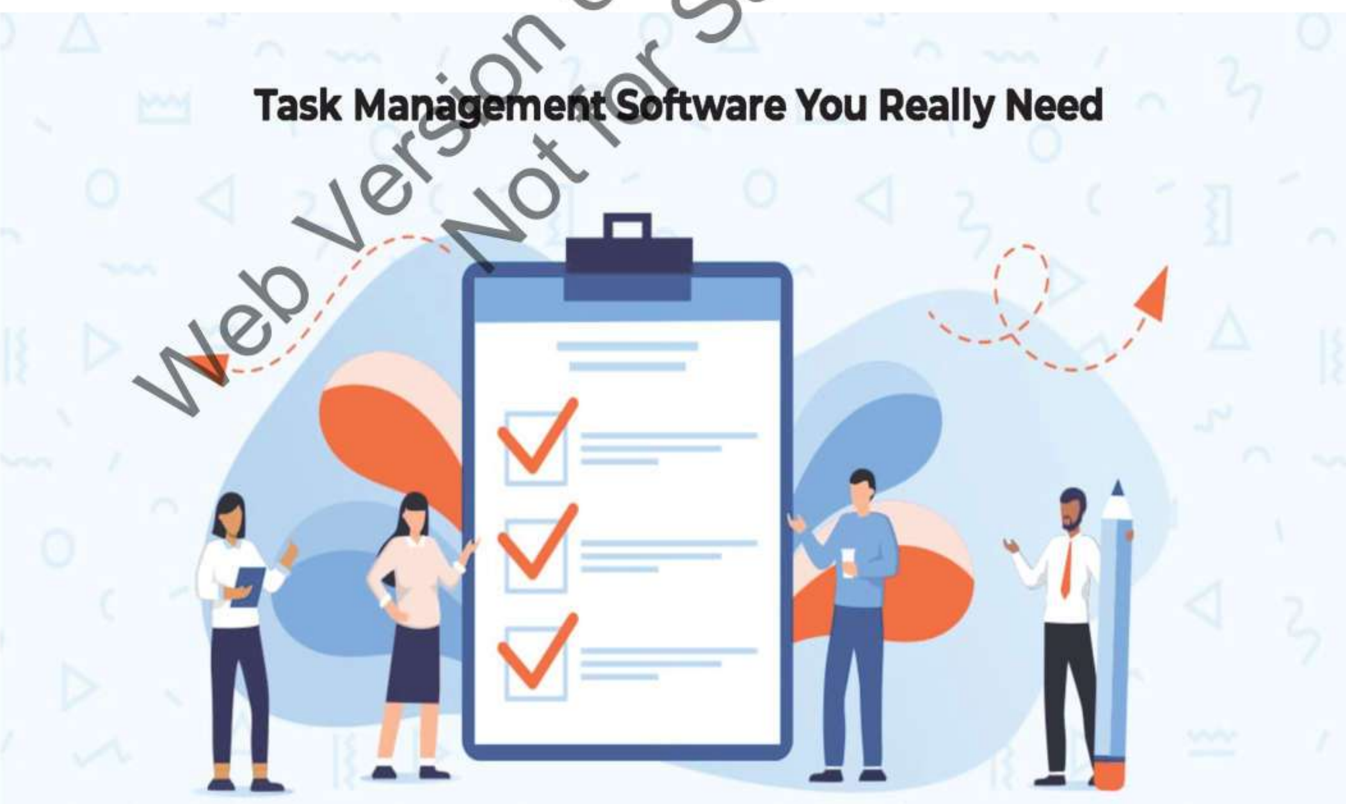
In case you happen to be in remodeling, repair or construction business or related fields, displaying pictures of "before and after" offers a compelling proof of the value your service or product can add. The effect of conveying actual benefits of your product or services will definitely turn your prospects into serious buyers.

2. Make Use of Productivity Apps

A worker is known by their tools, and so is a business person. The good news for owners and managers is that they can make use of productivity applications availed by technology: tools that can increase business productivity at a lesser cost. All you need a mobile device and can install apps such as:

- Slack
- Trello
- Podio
- Basecamp
- Asana

Many of these apps are offered free entirely or provided free for a particular level of service, which can be synced with their desktop versions. These productivity apps will get the right things done, without much strain, and with relatively little time invested.



Web-based payment systems help businesses thrive through sending and receiving payments online. Due to many payments' options and their flexibility aspect, web-based payment has enabled many businesses to fetch new customer segments. This is because by having different web-based payment options, you will have many more customers who like using that particular payment option.

We can help you align your team around a clear vision, mission, values, goals and action plans, so you can lead your organization more effectively and get better results.

4. Make Use of Backup Software

Reports of malicious software and hackers are wrecking businesses world over. Most of the businesses that have become victims of a data breach suffer losses in customer trust and brand reputation. The results of a data breach can be costly for organizations of any size.

As an executive or owner, stay vigilant and grab an enterprise backup software as well as recovery and continuity tools. These are tools that use Artificial Intelligence (AI) to flag suspicious files and software.

5. Measure User Engagement

Especially for small or medium sized organizations, Google analytics is a hot tool for measuring user engagement and loyalty. It gives you some stats that indicate how engaged and loyal your active user readership is, which you can then interpret to improve your conversion rate.

You can use it more specifically in targeting a specific audience from your competitors' fan base. Stealing your competitors' customers would mean accelerating your business growth.

6. Make Use of Twitter to Gain New Customers

Twitter is undeniably one of the most powerful tools for promoting your products and services if used rightly.

7. Better Marketing Campaigns

Digital marketing tends to yield better by far results than traditional advertising methods. They have the potential of undertaking marketing campaigns that target specific audience hence increasing conversion rate.

8. Improved Customer Service

Excellent customer service is key to your business success. Other than selling your product or service, you should think of the cumulative experience your customers get when they visit your store or website.

Technology will allow you to set up an online help desk to handle customer issues, schedule appointments or conduct surveys and questionnaires to get customer feedback.

9. Use Video Content to Engage More

Fig. 7.6 Video content

Video content can be a great way to interact with potential clients. For instance, Facebook video feature comes in handy for small businesses owners who want to take their business a notch higher. Videos will increase your brand's awareness and hence increased conversions.

10.Make Use of Virtual Assistants

Hiring a virtual assistant can give your business smart tech solutions with a human touch. Virtual assistants are readily available on freelance sites, and they are affordable even for small businesses. They can take up heavy tasks, saving your time while growing your organization.

Technology is one of the quickest and best ways to take your business to the next level. Whether you are a CEO, entrepreneur, or small business owner, the above technology solutions are the ultimate in giving your business unmatched growth.

Summary

- An entrepreneur is an individual who initiates a new business and bears most of the risks associated and enjoys most of the rewards.
- The process of setting up a business is known as entrepreneurship.
- The entrepreneur is also commonly known as an innovator who sources new ideas, goods, services, and business/or procedures.
- There are nine different types of entrepreneurships:
    - Small business entrepreneurship
    - Large company entrepreneurship
    - Scalable start up entrepreneurship
    - Social entrepreneurship
    - Innovative entrepreneurship
    - Hustler entrepreneurship
    - Imitator entrepreneurship
    - Researcher entrepreneurship
    - Buyer entrepreneurship

Exercise

Tick (✓) the Correct option:

1. A/An ________________ is an individual who initiates a new business and bears most of the risks associated and enjoys most of the rewards.
   a. Buyer b. Seller c. Investor d. Entrepreneur
2. Hiring a virtual assistant can give your business smart tech solutions with a human touch.
   a. Technology c. Knowledge
   b. Virtual assistant d. Entrepreneurship
3. A ______ business does not require a physical existence.
   a. Traditional b. Commercial c. Digital online d. Conventional
4. In ________________ entrepreneurship researchers take their good time when starting their own business as they want to have the complete knowledge of the product before offering it.
   a. Buyer b. Researcher c. Seller d. Large company
5. E business generally has less or no __________ costs.
   a. Hidden b. Fixed c. Overhead d. Variable
6. Entrepreneurship that proves to be successful in taking on the ____________ of creating a startup is rewarded with profits, fame, and continued growth opportunities.
   a. Cost b. Risks c. Opportunities d. Advantages
7. ____________ are entrepreneurs who use others' business ideas as inspiration but work towards improving them.
   a. Imitators b. Hustlers c. Scalable d. Social
8. There are _______ types of entrepreneurships.
   a. 4 b. 5 c. 7 d. 9
9. The final step in the entrepreneurial process is ______________.
   a. Planning c. Harvesting
   b. Resourcing d. Developing
10. ______________ has enabled business owners and leaders to stay on top of their projects by tracking time and progress.
   a. Investments b. Risks c. Technology d. Ethics

Short Questions:

1. Define an entrepreneur.
2. What is an entrepreneurship?
3. Explain the difference between traditional and digital entrepreneurship.
4. Elaborate on the difference between small business and large business entrepreneurship.
5. How entrepreneurship helps developing an economy?
6. Briefly explain the process of entrepreneurship.
7. Give two examples of entrepreneurs other than discussed in the chapter.
8. Why an entrepreneur also explained as a risk taker?
9. Why is digital entrepreneurship preferred over the traditional entrepreneurship nowadays?
10. State the difference between E-commerce and traditional systems.

Project Based Learning Questions:

1. Divide the class in two groups. Each group should think of a business plan that they think is worth taking a risk and will seek higher profits. The students should try to sell their idea by convincing the teacher who can act like a potential investor.
2. Research on the world's renowned entrepreneurs who have set an example in the world in making a difference to economy by developing it

Activity Based Question

1. Students should discuss a famous entrepreneur and their professional & personal journey, and present to the class as an individual or a group.

Answers

Unit 1

1	d
2	b
3	c
4	c
5	a
6	d
7	b
8	b
9	d
10	d

Unit 2

1	b
2	a
3	c
4	d
5	b
6	d
7	a
8	d
9	c
10	c

Unit 3

1	c
2	d
3	b
4	b
5	d
6	c
7	a
8	b
9	a
10	d

Unit 4

1	c
2	a
3	b
4	b
5	d
6	a
7	b
8	b
9	c
10	a

Unit 5

1	b
2	c
3	a
4	d
5	b
6	d
7	b
8	d
9	a
10	c

Unit 6

1	d
2	b
3	d
4	c
5	b
6	a
7	b
8	d
9	a
10	c

Unit 7

1	d
2	c
3	c
4	b
5	c
6	b
7	a
8	d
9	b
10	c