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Entrepreneurial Mindset and Process

Theme 1.4



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Concept of entrepreneurship (1)

- 💡 Entrepreneurial activity dates back to ancient times;
- 💡 It has been absorbed in many sub-fields of human activity and thus, has become part of several different disciplines which research it through different perspectives;
- 💡 Yet, there is no universal definition of what exactly entrepreneurship is;
- 💡 There is a considerable confusion regarding the way that people use the term entrepreneurship;





Concept of entrepreneurship (2)

'Entreprendre' (from French) => 'to undertake', 'to pursue opportunities', or 'to fulfil needs and wants through innovation and starring businesses'

Richard Cantillon (1730) => Entrepreneurship is self-employment of any sort, and entrepreneurs as risk-takers, in the sense that they purchased goods at certain prices in the present to sell at uncertain prices in the future





Concept of entrepreneurship (3)

Essence of definition	Publication
Entrepreneurs buy at certain prices in the present and sell at uncertain prices in the future. The entrepreneur is a bearer of uncertainty.	(Cantillon, 1755/1931)
Entrepreneurs attempt to predict and act upon change within markets. The entrepreneur bears the uncertainty of market dynamics.	(Knight, 1921, 1942)
The entrepreneur is the innovator who implements change within markets through the carrying out of new combinations. These can take several forms: · the introduction of a new good or quality thereof, · the introduction of a new method of production, the opening of a new market, · the conquest of a new source of supply of new materials or parts, and · the carrying out of the new organisation of any industry.	(Schumpeter, 1934)
Entrepreneurship is the act of innovation involving endowing existing resources with new wealth-producing capacity.	(Drucker, 1985)
The essential act of entrepreneurship is new entry. New entry can be accomplished by entering new or established markets with new or existing goods or services. New entry is the act of launching a new venture, either by a start-up firm, through an existing firm, or via `internal corporate venturing`.	(Lumpkin & Dess, 1996)
Entrepreneurship is the mindset and process to create and develop economic activity by blending risk-taking, creativity and/or innovation with sound management, within a new or an existing organisation.	(Commission of the European Communities, 2003)



Elements of entrepreneurship

Entrepreneurship is shaped by many elements but the most important include:

1. Innovation

Entrepreneurship is a key source of innovation and product differentiation in any economy.

2. Risk-Taking

Entrepreneurship is associated with risk.

3. Vision

Vision or foresight is one of the main driving forces behind any entrepreneur.

4. Organization

An entrepreneur must be able to manage and organize his finances, his employees, his resources, etc. So his organizational abilities are one of the most important elements of entrepreneurship.



Cultural and creative entrepreneurship

Cultural entrepreneurs are:

- 💡 someone who create or bring to market a cultural or creative product or service and who uses entrepreneurial principles to organize and manage this creative activity in a commercial manner. (*European Commission*)
- 💡 people who are breaking the rules and crossing boundaries (Spilling, 1991), overcoming obstacles (Amolo & Beharry-Ramraj, 2015), blurring the boundaries between work and personal life (Bridgstock, 2013; Werthes et al., 2018), showing passion and commitment to artistic content, persuasive, prudent and exhibiting courage, hope and faith in what they are doing (Klamer, 2011), risk-taking (Wardani et al., 2017), showing high tolerance of ambiguity, perseverance, self-reliance, autonomy, and creativity (Bhansing et al., 2018; Werthes et al., 2018). (*Dobrova & Ivanov, 2020*)
- 💡 cultural change agents and resourceful visionaries who organize cultural, financial, social and human capital, to generate revenue from a cultural activity. Their innovative solutions result in economically sustainable cultural enterprises that enhance livelihoods and create cultural value and wealth for both creative producers and consumers of cultural services and products. (*Temblay, n.d.*) (*Anheier & Isar, 2008*)



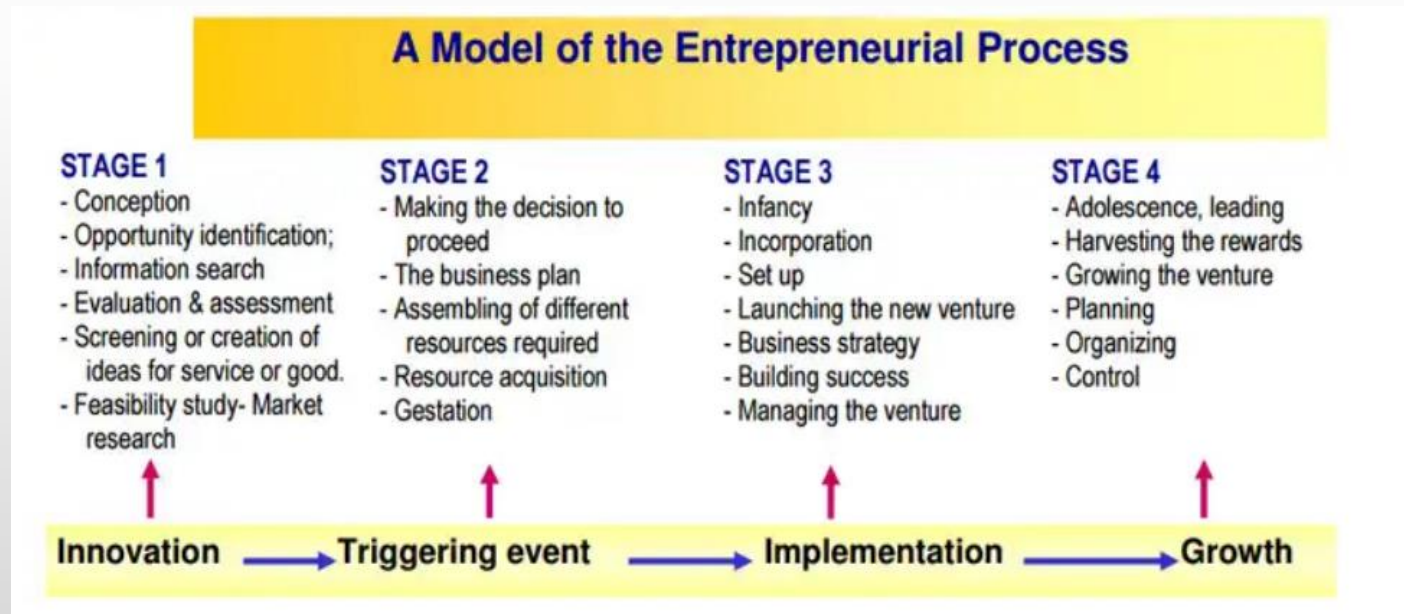


Role and importance of the entrepreneurship for economic development



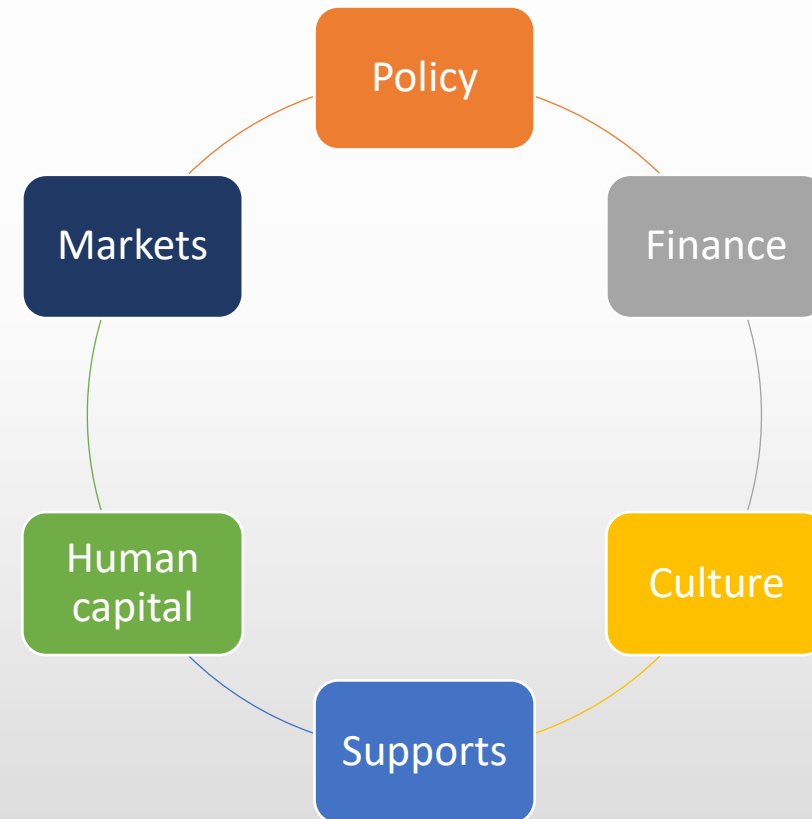
Basic characteristics of Entrepreneurship (1)

Entrepreneurship is a dynamic process of actions of person (entrepreneur) who is always in search of something new and who exploits innovative and strange ideas into gainful opportunities by accepting the risk and uncertainty with the enterprise. It is a process of starting a business, a startup company or other organization and the course of action involves various steps or stages that are generally carried out in a certain pattern.



Basic characteristics of Entrepreneurship (2)

Entrepreneurial ecosystem is 'a set of interconnected entrepreneurial actors (both potential and existing), entrepreneurial organisations (e.g. firms, venture capitalists, business angels, banks), institutions (universities, public sector agencies, financial bodies) and entrepreneurial processes (e.g. the business birth rate, numbers of high growth firms, levels of 'blockbuster entrepreneurship', number of serial entrepreneurs, degree of sellout mentality within firms and levels of entrepreneurial ambition) which formally and informally coalesce to connect, mediate and govern the performance within the local entrepreneurial environment' (Mason & Brown, 2014)



Isenberg's model of an entrepreneurship ecosystem



Basic characteristics of Entrepreneurship (3)

- 💡 Small business entrepreneurship
- 💡 Scalable startup entrepreneurship
- 💡 Large company entrepreneurship
- 💡 Social entrepreneurship

- 💡 Imitative entrepreneurship
- 💡 Innovative entrepreneurship
- 💡 Buyer entrepreneurship
- 💡 Researcher entrepreneurship
- 💡 Hustler entrepreneurship





Entrepreneurial mindset

Self-confidence, Constancy, Reliability

Ambition, Initiative, Courage, Risk-taking

Prevision, Creativity, Imagination

Intelligence, Skillful

Good personality

Understanding, Empathy

Sensitivity, Honesty

Ability to communicate with people

Optimism

Profit-minded

Dynamizm & Leadership

Being Competitive and promising



Suggested readings

Alvaro, C., Domingo, R., and Roig, S. (2000) *'Entrepreneurship: Concepts, Theory and Perspective. Introduction'*

Loots, E., Neiva, M., Carvalho, L. Lavanga, M. *'The entrepreneurial ecosystem of cultural and creative industries in Porto: A sub-ecosystem approach'*, Growth and Change, vol. 5, issue 2

Mishra, C. S. and Zachary, R. K. (2015) *'The Theory of Entrepreneurship'*, Entrepreneurship Research Journal, Vol. 5

Mason, C., & Brown, R. (2014). Entrepreneurial Ecosystems and Growth Oriented entrepreneurship.

Sanches, J. C., Ahmed, I., Ramzan, M., Singer, A. E. et al., *Entrepreneurship - Born, Made and Educated*

Varbanova, L. (2013). Strategic Management in the Arts.





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