



Unit 1:

Management and Entrepreneurship in CCIs

Theme 1.4.

Entrepreneurial Mindset and Process

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1 THEME Overview

Entrepreneurship has a very important role in each economy. It creates innovations and jobs, boosts economic development and increases the wellbeing of the local population. The potential of the cultural and creative entrepreneurship was recognized in early 2000s and thus, enhanced an outbreak in the emerge of cultural and creative start-ups and in the conceptual research of the phenomena. Yet, due to the complexity of the concept and the lack of unified definition, there is a considerable confusion regarding the use of the term.

This theme introduces the concept of entrepreneurship and its interpenetration in view of the CCIs. The basic concepts in the area of entrepreneurship are presented together with the role and importance of entrepreneurship for economic development. Attention is placed on interpreting entrepreneurship as a state of mind and on the main set of skills, competences and knowledge that are needed by an entrepreneur. Issues, such as key steps in the elaboration of business idea, the stages of the entrepreneurial process and the resources needed for the successful development of entrepreneurial ventures, are also covered.

2 THEME Reader

I. Concept of Entrepreneurship

Entrepreneurship has been generally recognized for its important role in many fields in the contemporary world of today. Indeed, entrepreneurial activity is validated to be one of the main drivers for innovations and a pillar for global progress that boosts economic and social development, growth and wellbeing.

Entrepreneurial activity dates back to ancient times but is still an evolving experience. It has been absorbed in many sub-fields of human activity and thus, has become part of several different disciplines, significantly contributing to their practical and theoretical fertilization. Yet, although defining entrepreneurship has occupied scholars for many years, there is not a consensus on its exact meaning. Even more, a considerable confusion exists in the way that people use the term entrepreneurship. (Nadim Ahmad, 2008). This is partly due to the differentiated approaches and scientific perspectives that have been used over the years in attempt for delivering a definition of the phenomenon of entrepreneurship.

The term `entrepreneurship` itself derives from the French verb '*Entreprendre*' which means '*to undertake*', '*to pursue opportunities*', or '*to fulfil needs and wants through innovation and starring businesses*'. The word first appeared in the French dictionary in 1723. The French economist Richard Cantillon is generally accredited with being the first to coin the phrase in the context of what we view today as entrepreneurship in about 1730. (Ahmad & Seymour, Defining Entrepreneurial Activity: Definitons Supporting Frameworks for Data Collection, 2008). Loosely, he defined entrepreneurship as 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. (Ahmad & Seymour, Defining Entrepreneurial

Activity: Definitons Supporting Frameworks for Data Collection, 2008). Over the years many other definitions have arisen focusing on different dimensions of the phenomenon. Table 1 outlines some of the most popular concepts that circulate in the literature:

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)

Table 1: Review of extant definition of `entrepreneurship`, Source: (Ahmad & Seymore, *Defining Entrepreneurial Activity: Definitions Supporting Frameworks for Data Collection, 2008, p. 7*), adapted

An in-depth review of the definitions given in Table 1 suggests that there are (at least) three basic ideas that explain the appearance of entrepreneurial activity. The first focuses on the **individual**, in other words, entrepreneurial action is conceived as a human attitude, such as willingness to face uncertainty, accepting risks, the need for achievement, which differentiate entrepreneurs from the rest of the society. (Cuervo, Ribeiro, & Roig, 2008) The second fundamental idea emphasizes **economic, environmental factors** that motivate and enable entrepreneurial activity, such as the dimension of markets, the dynamic of technological changes, the structure of the market – normative and demographic or merely the industrial dynamic. (Cuervo, Ribeiro, & Roig, 2008) The third factor is linked to the **functioning of institutions, culture and societal values**. (Cuervo, Ribeiro, & Roig, 2008).

On the other hand, non-academics and non-experts usually associate entrepreneurship with the processes of:

- (a) Creating a business entity or renewing the activity of an existing one;
- (b) Realizing an innovative idea, incl. production of a new product, service or a conceptual reorganization of a process or model of production
- (c) Making better (higher value) use of resources;
- (d) Pursue of opportunities;
- (e) Taking risks and opportunities.

It is clear that due to the multi-faceted profile of the phenomena the debates over its unified definition will continue at least in the next years. However, there are already some definitions for entrepreneurship that managed to embrace most of its specifics. Ahmad and Seymore, for example, have worked to provide a definition for entrepreneurship which to support the policy makers. These were further adopted by established organizations (OECD¹) and variety of experts in the field. These are definitions that we also adhere to for the aims of this paper.

Entrepreneurs are those persons (business owners) who seek to generate value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.

Entrepreneurial activity is the enterprising human action in pursuit of the generation of value, through the creation or expansion of economic activity, by identifying and exploiting new products, processes or markets.

Entrepreneurship is the phenomena associated with entrepreneurial activity.

- ***Elements of Entrepreneurship***

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

1. Innovation	<p>Entrepreneurship is a key source of innovation and product differentiation in any economy. It is actually one of the most important mean and at the same time effect of entrepreneurial success. Innovation is used for exploitation of available opportunities in the market and for overcoming any threats.</p> <p>This innovation can be a new product, service, technology, production technique, marketing strategy, etc. Innovation can even involve doing something better and in more efficient or economical manner. Either way, innovation is a key factor in the concept of entrepreneurship and it brings other changes with it – for the customers, the competitors and even for the market..</p>
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¹ The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to that works to build better policies for better lives. Together with governments, policy makers and citizens, provide a unique forum and knowledge hub for data and analysis, exchange of experiences, best-practice sharing, and advice on public policies and international standard-setting. [www. https://www.oecd.org/](https://www.oecd.org/)

<p>2. Risk - Taking</p>	<p>Entrepreneurship is associated with risk. First, the results and the effects of the innovation, which lay into the entrepreneurial activity, is hard to be fully predicted. There is always a risk that something may not happen according to the plan and the results are not as desired. Then comes the risk possessed by the factors of the external environment which can not be controlled at all.</p> <p>Not taking any risks can stagnate a business and excessive impulse-taking can cause losses. So a good entrepreneur knows how to take and manage the risks of his business. But the ability of the entrepreneur to takes risks helps him to exploit the opportunities the market provides.</p>
<p>3. Vision</p>	<p>Vision or foresight is one of the main driving forces behind any entrepreneur. It is the energy that drives the business forward by using the foresight of the entrepreneur. It is what gives the business an outline for the future – the task to complete, the risk to take, the culture to establish, etc.</p> <p>Many great entrepreneurs are called `visioners` for the great vision they have and which supported them to set out short and long term goals for their business but also to plan the ways for achieving these goals.</p>
<p>4. Organization</p>	<p>In the general case, entrepreneurship is a one-man show. The entrepreneur bears all the risks and enjoys all the rewards. And sure he has the help of employees and middle-level management, yet he must be the one in ultimate control. This requires a lot of organization and impeccable organizational skills.</p> <p>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.</p>

Table 2: Main elements of entrepreneurship

- **Entrepreneurship in the CCIs**

CCI enterprises, in particular small and medium ones, have specific characteristics that may separate them from `regular` entrepreneurship. They frequently operate in specific market conditions, produce goods that are `cultural` by nature, work with people who are often more content-driven than commercially oriented and usually create very small enterprises (micro-SMEs) that may exist on the basis of permanent networks. (Directorate-General for Education, Youth, Sport and Culture (European Commission); Eurokleis; HKU Utrecht School of Arts; K2M, 2013)

The concept of cultural entrepreneurship was first introduced by Paul DiMaggio in 1982. Back then, little attention was paid to the figure of cultural capitalist – *‘a person who invests the profits gained through the management of industrial enterprise for the foundation and maintenance of a cultural institution’* – that was presented in his paper. However, both academic and market curiosity regarding cultural entrepreneurship have rapidly risen after the potential of cultural and creative industries as economically important sectors was recognized by the policy-makers in early 2000s.

Logically, the definition of the cultural or creative entrepreneurship is first hampered by the clear view regarding the entrepreneurial activity as such and then by the variety of specifics that each of the cultural and creative industries encompass. However, the research is flourishing providing different understanding regarding the phenomenon.

The difference between the cultural entrepreneurship and the one from any other sector is *‘in contextual and sectoral features, the nature of artistic work, and specific cultural values, employed by cultural entrepreneurs. The most distinguishing characteristic of cultural entrepreneurs appears to be personal involvement in the creative process.’* (Dobrevá & Ivanov, 2020)

European Commission (2013) promotes cultural entrepreneurs as someone who creates or brings 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. However, achieving a balance between creativity and entrepreneurship is not straightforward and entrepreneurs differ according to their motivation and the sectors in which they operate. (Directorate-General for Education, Youth, Sport and Culture (European Commission); Eurokleis; HKU Utrecht School of Arts; K2M, 2013)

The term cultural and creative entrepreneurship shall attempt to draw the two worlds of entrepreneurs and artist together: recognising the latent entrepreneurial spirit of an artist, and latent creative spirit of entrepreneur. (Directorate-General for Education, Youth, Sport and Culture (European Commission); Eurokleis; HKU Utrecht School of Arts; K2M, 2013)

Scholars describe cultural entrepreneurs as 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). (Dobrevá & Ivanov, 2020)

The tension between the creator of a cultural work and entrepreneur, typical of many cultural and creative enterprises, is often seen in the desire to prioritise the cultural value of the creation with little motivation for generating economic value (creation-oriented), while the entrepreneur will prioritise the economic exploitation over its cultural value (growth-oriented). (Directorate-General for Education, Youth, Sport and Culture (European Commission); Eurokleis; HKU Utrecht School of Arts; K2M, 2013)

Therefore, it is understandable why practitioners are emphasizing the cultural value of the entrepreneurship in their attempt to describe what exactly the cultural one is. Among the variety of definitions that can be found, we adhere of the following:

Entrepreneurship in arts and culture is an economic as well as sociocultural activity, based on innovation, exploitation of opportunities and risk-taking behavior. It is a visionary, strategic, innovative and social activity. (Varbanova, 2013)

Cultural Entrepreneurs are 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***

Entrepreneurship, regardless of its type, has a very important role for every community, country and region. It creates manifold direct and indirect impacts for the local economy and thus, becomes one of its key drivers for growth and wealth.

The importance of entrepreneurship could be outlined in the following aspects:

1. *Creation of organizations*

Entrepreneurship results into creation of organizations when entrepreneurs assemble and coordinate physical, human and financial resources and direct them toward achievement of objectives through managerial skills. (Selvan & Vivek, 2020)

2. *Improving quality of life*

By creating productive organizations, entrepreneurship helps in making a wide variety of goods and services available to the society which results into higher standards of living for the people. (Selvan & Vivek, 2020)

3. *Development of (managerial) capabilities*

Entrepreneurship stresses the identification and development of variety of important skills of entrepreneurs but also of their team. An entrepreneur studies a problem, identifies its alternatives, compares the alternatives in terms of cost and benefit implications, and finally chooses the best alternative. (Selvan & Vivek, 2020) All these support sharpening the analytical thinking and decision taking skills of entrepreneur.

Most often the entrepreneurship starts operating through small but flexible team, where the members are entrusted to undertake different (even very untypical for the position) operations in terms of limited time and resources. Therefore, entrepreneurship indirectly fosters team-members to develop new organizational and professional skills and capabilities.

4. *Means of economic development*

Entrepreneurship involves creation and use of innovative ideas, maximization from given resources, development of new skills. It brings innovations and new opportunities while

attracting investments and finances. All these are essential factors that boost the economic development of each country.

Hence, entrepreneurship has an important role for the economic development.



Figure 2: Roles of entrepreneurship

Economic Growth

Entrepreneurship promote capital formation. In order to set up their enterprises, entrepreneurs employ they own capital, borrow resources of family and relatives and attract investments of banks and other organizations. That type of activities add value to the idle savings, lead to creation of wealth and support the industrial and economic development of the country.

Entrepreneurship increase gross national product and per capita income. To ensure the viability of their enterprises, entrepreneurs innovate and thus – suggest new products and services, develop new markets and shape new customer attitude. This way, they help increasing the gross domestic product (GDP) and per capita income, which are indeed key indicators for economic growth of a country or region.

Entrepreneurship promotes export and import. Entrepreneurs produce goods and services, which are in many cases directed to other countries or regions or exported. On the other hand, for the needs of the production process they might need goods or raw materials that need to be imported. Indirectly, import and export activities add value for the economy as first they suggest diversification of the business activities and of entities that offer resources and then – reduce the dependence on particular operators that produce goods.

Innovations

Entrepreneurship is closely related to innovations. It is the idea for completely new product or service, even a technological innovation, that 'lights up' the entrepreneur to start the enterprise. Innovations are sometimes born within the course of operation of the organization and can have the form of new business model or a new business process. Whatever the exact form is, the innovations have very important role in business development. They also considerably contribute to the social development of the region as they suggest solutions to existing problems or challenges and improve the quality of existing services/product or offers new ones.

New investment and business opportunities

Successful entrepreneurship attracts new investments and attention. The natural direction for every successful venture is to grow and as it grows it creates more and more opportunities. Very often, the entrepreneurial product suggests opportunities for the establishment of new services or products – such that either complement the entrepreneurial product or service, either substitute it.

Wellbeing and quality of living

Entrepreneurship promotes balanced regional development. Entrepreneurs help to remove regional disparities through setting up of industries in less developed and backward areas. (Selvan & Vivek, 2020) The growth of industries and business in these areas lead to a large number of public benefits like road transport, health, education, entertainment, etc. (ibid) Setting up of more industries leads to more development of backward regions and thereby promotes balanced regional development. (ibid)

Entrepreneurship offers new products and services that solve an existing problem of the individuals or the society and thus, generally improve the wellbeing in the community. This new unit will generate demand for various types of units required by it and there will be so many other units which require the output of this unit. This leads to overall development of an area due to increase in demand and setting up of more and more units. In this way, the entrepreneurs multiply their entrepreneurial activities, thus creating an environment of enthusiasm and conveying an impetus for overall development of the area. (Selvan & Vivek, 2020)

Entrepreneurship contributes to the wellbeing of the population as it offers jobs and incomes.

Job opportunities

Entrepreneurship creates variety of employment opportunities: With the setting up of more and more units by entrepreneurs, both on small and large-scale numerous job opportunities are created for others. These enterprises grow with the time ensuring more and more jobs.

Personal growth

Entrepreneurship is a process that develops according to environment it interacts with. Therefore, entrepreneurs are required to develop their skills all the time – organizational, technological, managerial - in order to sustain the efficiency and viability of their enterprise.

This requirement extends to the team of the entrepreneur, his/her competitors and other interested stakeholders that wish to stay up-to-date with the latest innovations on the market.

II. Basic Characteristics of Entrepreneurship

- **Entrepreneurial process**

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.

This `entrepreneurial process`, has been interpreted in different perspectives according to the emphasized stage or specific of the entrepreneurship. These stages refer to the generation of the entrepreneurial idea or conception for the business, the event that triggers the operations, implementation and growth.

One good model of entrepreneurial process is suggested by the University of Pretoria and is illustrated on the figure bellow.

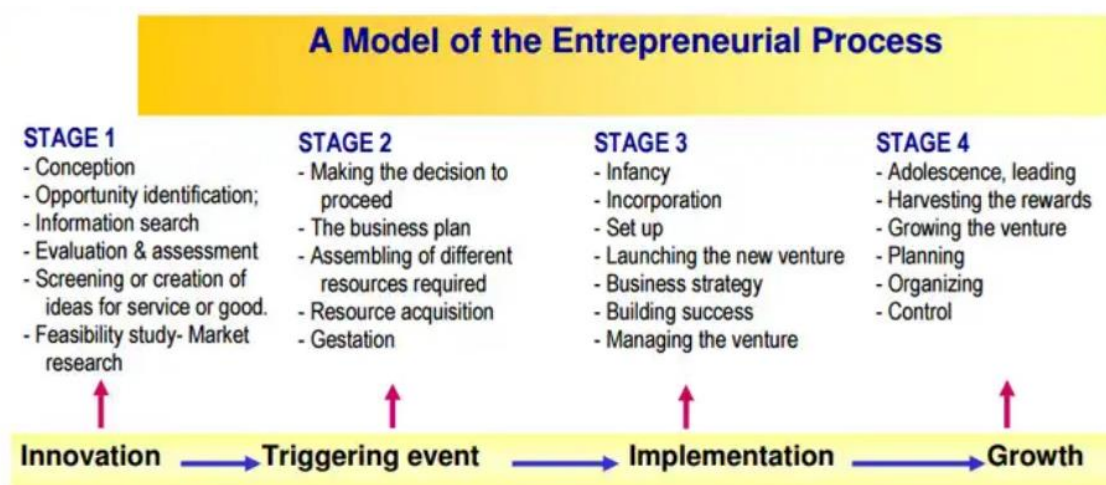


Figure 2: Entrepreneurial model, Source: (Barazza, n.d.) adapted after University of Pretoria

Stage 1:

On the very first step, stands the *idea conception* and the *identification of the opportunity*. It is often said that the entrepreneurs see the situations differently and thus, are able to identify possibilities and solutions where the average person only sees obstacles and challenges. Entrepreneurs are able to provide new solutions to existing needs and problems but also to predict the emergence of a need. However, at one point or within a certain situation, the entrepreneur come up with an idea for a service, product or a new process.

Then he/ she starts to wonder why there is not available product or service, why certain things are not improved to cover a need, how to generate income to cover expenses, etc. Thousands of questions may rise, provoked by number of everyday situations and thus to help them identify opportunities to meet the market needs.

In previous years, there were not so many goods and services and therefore, it was bit easier to position a business. Now, it requires deepen research and analysis – an information search will confirm whether there are no other services or products like these or will define the particular need, etc. A critical assessment of the idea shall follow, most often done by family and friends, who are expected to check the idea and provide a feedback as potential customers. Good screening of the market will provide a good basis for conceptualizing the characteristics of product/ service as it would be easily absorbed on the market. Finally, a market analysis or feasibility study must be conducted to check the possibility of success. A fact is that at this point of the entrepreneurial process, there are many people, since the generation of ideas might be much easier. (Barazza, n.d.) However, the step towards a decision making is where many can stop and perhaps even abandon from the idea of starting a business.

Stage 2:

A critical point of the entrepreneurial process is the stage of *decision making and business planning*. Enthusiastic about his idea, the future entrepreneur starts to research and plan what resources are needed to implement it. A business plan is often prepared here but although business planning has a very crucial role for every business, the one developed at this stage, with the scarce information available, will only mark a guide that can be used as a reference.

The project is conducted when the entrepreneur decides to seek and obtain resources. The first and foremost is gathering financial resources (investments) but also for developing their structures, information systems, financial strength, operational capacities and human capital.

Stage 3:

At this stage, the entrepreneur should fulfil some legislation requirements related to the registration of a firm, a branch or spin-off. It is an important milestone but also a point of stress-release to see the company finally operating.

However, the path forward is not much easier. A very straight and focused strategies should be developed but also followed – these are the market strategies – how the new entity is going to enter the market and what it will propose in order to build success.

Stage 4:

After having pass through the first months of operation, the company will see if it decreases, maintains or increases in sales. The entrepreneur would possibly strive to maintain revenue growth which apart of financial value will bring him/her personal satisfaction for the good work. Managing a business is not easy – it is a process with ups and downs. However, the experience that entrepreneurs acquire over time will ease him into efficient implementation of planning, organization and control of all resources. As change has become inevitable in

contemporary business environment, entrepreneurs are required to review and change/adapt their business processes in order to answer the current and emerging issues of the company but also the dynamics of the environment.

Perhaps one could say that the entrepreneurial process ends here but this is not exactly true. Rather, the process continues but the central person is no longer an entrepreneur, and he/she becomes a full businessman or businesswoman. Another fact is that many entrepreneurs do not end up with just one idea but start the entrepreneurial process over and over again.

- ***Entrepreneurial Ecosystem***

As every other process, entrepreneurship does not evolve in `vacuum` but in very dynamic settings. Hence, it interacts with a large number of actors – customers, suppliers, investors - and factors from the internal and external environment which influence the entrepreneurial activity. In turn, entrepreneurship impacts these factors causing them to pair differently, to constantly change and diversify the business opportunities in the region. Actually, this is what the scientific literature refer as `entrepreneurial ecosystem`: ... *‘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)

The concept for such ecosystem was originally coined by James Moor in an influential article published during the 1990s. Later, a number of models for entrepreneurial ecosystems were developed. In recent years a particularly influential approach has been developed by Daniel Isenberg and Babson College who has started to articulate what he refers to as an *‘entrepreneurship ecosystem strategy for economic development’*. (Mason & Brown, 2014) He identifies six domains within the entrepreneurial system: a conducive culture, enabling policies and leadership, availability of appropriate finance, quality human capital, venture friendly markets for products, and a range of institutional supports (ibid). These generic domains comprise hundreds of elements interacting in highly complex ways which hampers the identification of any generic causal paths. He therefore emphasises the importance of context: each ecosystem emerges under a unique set of conditions and circumstances. (ibid).

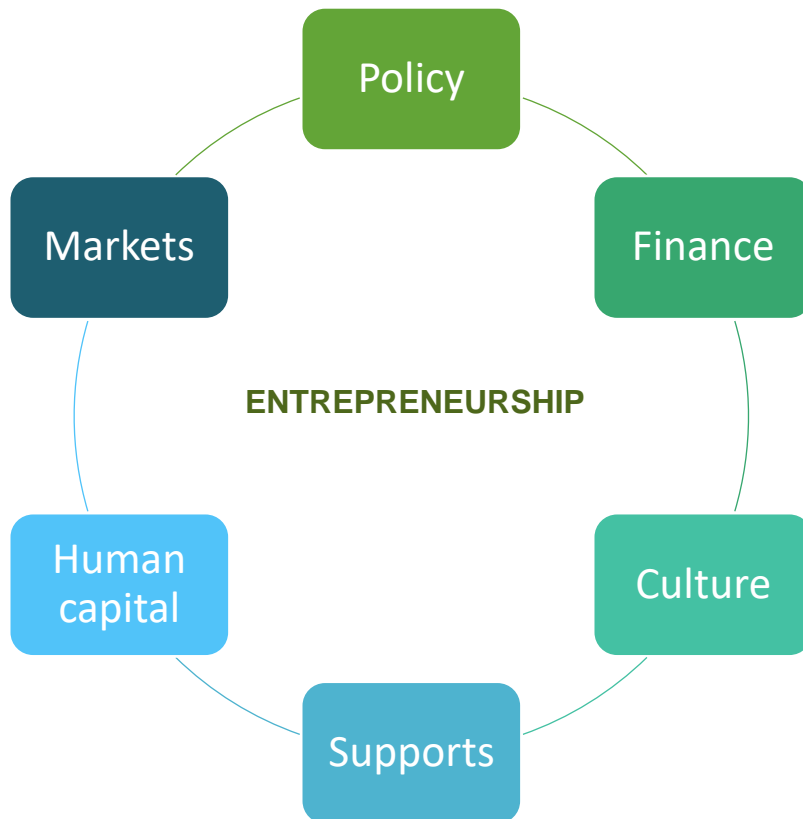


Figure 3: Isenberg's model of an entrepreneurship ecosystem

In more particular these domains comprise of the following elements:

POLICY	Leadership and Policy provides strategy and legitimacy to entrepreneurs and the entrepreneurship ecosystem through promotion and support, problem solving and venture friendly legislation and incentives.	LEADERSHIP <ul style="list-style-type: none"> - Unequivocal support - Social legitimacy - Open door for advocate - Entrepreneurship strategy - Urgency, crisis and challenge GOVERNMENT <ul style="list-style-type: none"> - Institutions e.g. investment, support - Financial support e.g. for R&D, jump start funds - Regulatory framework incentives e.g. tax benefits
FINANCE	Finance provides the fuel for early stage and growth oriented startups and growth of the entrepreneurship ecosystem through access to micro loans, angel investors,	<ul style="list-style-type: none"> - Micro-loans - Angel investors, friends and family - Zero-stage venture capital

	and venture capital. Support is needed for capital raise preparation and pitch opportunities.	
CULTURE	Culture beliefs influence acceptance and promotion of entrepreneurs and the entrepreneurship ecosystem. Success stories and role models should be promoted by influential leaders through media and social media channels.	SUCCESS STORIES <ul style="list-style-type: none"> - Visible successors - Wealth generation for founders - International reputation SOCIETAL NORMS <ul style="list-style-type: none"> - Tolerance of risk, mistakes, failure - Innovation, creativity, experimentation - Societal status of entrepreneur - Wealth creation - Ambition, drive, hunger
SUPPORTS	Support Systems should include a wide range of support infrastructure (energy, telecom, transport) and entrepreneurship networks and networking platforms and events. Experienced coaches and mentors and professional support services help ensure success.	INFRASTRUCTURE <ul style="list-style-type: none"> - Telecommunication - Transportation and logistics - Energy - Zones, incubation centers, clusters SUPPORT PROFESSIONALS <ul style="list-style-type: none"> - Legal - Accounting - Investment bankers - Technical experts, advisors NON-GOVERNMENTAL INSTITUTIONS <ul style="list-style-type: none"> - Entrepreneurship promotion in non-profits - Business plan contests - Conferences - Entrepreneur – friendly associations
HUMAN CAPITAL	Human Capital in the form of experienced managerial and technical talent is required to ensure entrepreneurial success. Training institutions	LABOUR <ul style="list-style-type: none"> - Skilled and unskilled - Social entrepreneurs - Later generation family

	and outsourcing support should respond to growing needs for skills in the marketplace.	EDUCATIONAL INSTITUTIONS <ul style="list-style-type: none"> - General degrees (professional and academic) - Specific entrepreneurship training
MARKETS	Markets and market access provides opportunities for proof of concept, sales and distribution. Customers include both domestic and foreign markets, companies large and small, and government contracts.	EARLY CUSTOMERS <ul style="list-style-type: none"> - Early adopters for good-of-concept - Expertise in productizing - Reference customers - First reviews - Distribution channels NETWORKS <ul style="list-style-type: none"> - Entrepreneur`s networks - Diaspora networks - Multinational corporations

Table 3: Elements in the entrepreneurial ecosystem

Entrepreneurial ecosystems do not emerge anywhere. They raise in locations that have place-specific assets and thus, are established as desirable places to live. As such, they typically offer variety of cultural attractions or physical attributes which provide opportunities for outdoor activities. Naturally, that opens-up many business opportunities as there is a large need of different products or services for the living of the local population. The infrastructure and the governance of the place are also well arranged. Finally, human capital is concentrated providing easy access to skilled people. All these, representing a mix of favourable conditions for entrepreneurial activity, set the entrepreneurial ecosystem in motion. And as economic activity tends to cluster, then the entrepreneurship ecosystem enhances the intensive emerge of new ventures and services.

However, the interaction of the entrepreneurship with the elements of the ecosystem in which it grows is not neither static, nor one-way. Entrepreneurship also stimulates the development of the ecosystem as such.

At the heart of an entrepreneurial ecosystem typically there is at least one, and usually several, 'large established businesses', with significant management functions (e.g. head office or divisional/ subsidiary office) as well as undertaking R&D and production activities. (Mason & Brown, 2014) These businesses are supposed to rely on the newest technologies. technology. They have a very important role in developing the ecosystem. First, they are 'talent magnets', recruiting large numbers of skilled workers, many of them recent graduates, from outside the area (Feldman et al, 2005) (ibid). Second, they provide business training for their employees and enable them to progress up the corporate hierarchy. It is through this process that staff who were initially recruited for their technological know-how acquire management skills to become technology managers (ibid). This represents a valuable resource for small firms.

Third, they are a source of new businesses as some staff will leave to start their own companies (ibid).

Accordingly, policy makers are now beginning to recognize the merit of more systems-based form of support for growth entrepreneurship. Policy makers are looking for effective solutions in order to improve the environment that surrounds firms and encourages entrepreneurship. However, as every ecosystem is unique but dynamic, complex organism, policy makers experience many difficulties in finding and applying effective approaches. Yet, there are measures that supports different aspects of entrepreneurship.

- **Forms of entrepreneurship**

Entrepreneurship can take many forms and may occur in various contexts. Its basic principles are the same: planning, starting and operating a (for-profit or non-profit) business. Traditionally, entrepreneurial projects and practices result in one of these categories:

Category	Main features
Small business entrepreneurship	<p>This type of entrepreneurship refers to any kind of small business that has been created by one or maximum two persons with the goal of just turning their idea into reality. Small businesses are traditionally concentrated into the operation of single site and the initial plans do not foresee any expansion. The category does not necessarily exclude a large team and great revenue. If this business turns out to be successful, then it can move between the other categories.</p> <p>In this type of business, you only make a profit if your company does, meaning you need to be very driven, responsible and committed to your vision.</p>
Scalable startup entrepreneurship	<p>Scalable start-ups focus on how to create a business model that is both repeatable and scalable (more sales with more resources). Often, this type of businesses use technology or create technology in the business. They begin with a simple idea that is brought to life by the tenacity of entrepreneurs with the support of investors. The business falls into a space with a large market size and the potential for them to grow quickly and exponentially exists.</p> <p>The key to starting this type of business model is knowing the long-term plans for profitability and the ways in which your company will grow, both for the sake of your investors, and your own.</p>
Large company entrepreneurship	<p>Large company entrepreneurship is not related to starting a new business, rather creating new products or subsidiaries within an</p>

	<p>existing company, or acquiring smaller businesses. More specifically, these divisions are focused on reaching new markets, expanding the customer base and growing the business. They ensure flexibility for innovating and offering consumers new products that are variants around their core product-line.</p> <p>Important component of this category of entrepreneurship is company culture, ensuring that as company expands all employees are a part of the growth.</p>
Social entrepreneurship	<p>Social entrepreneurship is mission-driven work. Its main goal is to create products and services that both benefit the world, and make money. Social entrepreneurship relates to nonprofit, for-profit, or hybrid companies that are committed to social or environmental change. Some examples include educational programs, microfinance institutions, and companies that provide banking services in undeveloped countries.</p>

Table 4: Main categories of entrepreneurship

The diversity of cultural and creative industries is reflected in its range of businesses. This includes every type of enterprise from multi-national corporations to sectors characterised by a high proportion of SMEs (for example architecture, fashion, crafts) and others that include a broader spread of large and small businesses (notably software, publishing and media). However, the majority of cultural and creative industries consists of very small enterprises. Around 80% of enterprises in the CCIs are SMEs with many sole traders or micro-SMEs employing only a handful of people. (Directorte-General for Education, Youth, Sport and Culture (European Commission); Eurokleis; HKU Utrecht School of Arts; K2M, 2013)

However, just as the world continues to change, so do businesses. New innovations appear on daily-basis, providing new opportunities for risk-taking and growing and thus, proposing several new categories of entrepreneurship that are increasingly common.

Category	Main features
Imitative entrepreneurship	<p>Imitation is the best form of flattery, and an imitative entrepreneur (also referred to as an adoptive entrepreneur) is one who copies what successful innovative entrepreneurs have previously done, most often with lower financial risks and limited resources.</p> <p>If you are using an imitative entrepreneurship style, in essence you are copying an idea but finding ways to improve it. By taking note of others' mistakes and finding creative</p>

	ways to make a business better, you can become a lucrative entrepreneur.
Innovative entrepreneurship	<p>Innovative entrepreneurs, as the name suggests, are constantly trying to come up with the next big thing. If you have groundbreaking ideas of how to start a business or specific services and products that can become business ventures, you might be an innovative entrepreneur.</p> <p>As an innovator, you know you must always be aware of the current market conditions to find original and creative ways to disrupt them. Innovation refers not only to product ideas but also the ways in which business is conducted. Innovative entrepreneurship is all changing the status quo and pushing boundaries.</p>
Buyer entrepreneurship	<p>Instead of figuring out how to raise money for a business, a buyer entrepreneur purchases either a developing or well-established company and helps them thrive.</p> <p>Unlike investors, a buyer entrepreneur is involved both financially and personally in the business, remaining active and directly helping the investment to grow. It is not uncommon for buyer entrepreneurs to hand off their leadership to someone else at some point, but they always maintain an active part in the businesses they purchase.</p>
Researcher entrepreneurship	<p>Researcher entrepreneurs rely on facts, data and the belief that with the right preparation and knowledge will be more likely to succeed. Research entrepreneurship pairs great business idea with academic research, and an understanding of how to stretch limited resources to the max.</p>
Hustler entrepreneurship	<p>Don't let the name throw you off, a hustler in business refers to a self-starter, a highly motivated person who is driven to succeed. This type of entrepreneurship style grows directly from the entrepreneur, who must be confident, fearless and have rigorous work ethic.</p>

Table 5: New categories of entrepreneurship based on the degree of innovation and the type of behavior of the entrepreneur, Source: (WIX blog, n.d.)

These categories of business are important as exact business type determines the available opportunities, funding and programs. It also impacts the decisions and directs the road of the operation of the business.

III. Entrepreneurial Mindset

Entrepreneur is the person responsible for the creation of new value (being in the form of new product/service or new organization). So, the entrepreneur is a creator, an individual that owns the business idea, sets up the organization, bears the business risk of failure or benefits from the success of the activity. In a way, entrepreneurs are some of the most powerful change makers.

The figure of entrepreneur is complex. Very often, the literature indicates the persistence of entrepreneurial spirit, entrepreneurial thinking or entrepreneurial culture. Nonetheless of the term, all these indicate that entrepreneurs have something in common. Something that makes them ...` different from other people in terms of attitude, perspectives and some basic qualities. (Melek & Kaygusuz, 2014).`

Entrepreneurial thinking is very much a positive and resilient mindset. Successful entrepreneurs have the ambition to actively want to make a difference, then have the confidence, passion and motivation to see it through.²

Often, entrepreneurs are seen as braver and bold, more tolerant and much more effective in dealing with stress. These people perceive the world differently being capable to see possibilities and solutions where the average person does not. Baron (2000) states that successful entrepreneurs are people who strongly believe in their own judgements and they have high social perceptions and ability of successful interaction. He also says that they are people who can be accommodated fast to new circumstances. (Melek & Kaygusuz, 2014) Successful entrepreneurs have the ambition to actively want to make a difference, then have the confidence, passion and motivation to see it through. These people also have qualities like risk-management, creativity, perfectionism and tolerance against uncertainty.

Authors still argue whether entrepreneurs come by nature or are made by nurture and knowledge. Undoubtedly, there are a number of personal traits that successful entrepreneurs' have in common:

1. Self-confidence	22. Reliability
2. Constancy	23. Prevision
3. Being active and energetic	24. Honesty
4. Skillful	25. Commonality

² Ludwin, A., Nature, nurture or knowledge: what does it take to make an entrepreneur?

5. Risk taking	26. Being profit-minded
6. Dynamizm & Leadership	27. The ability of learning from mistakes
7. Optimism	28. Desire for power
8. Ambition	29. Good personality
9. Versatility	30. Self-centeredness
10. Creativity	31. Courage
11. The ability of manipulation	32. Imagination
12. The ability to communicate with people	33. Understanding/ Empathy
13. Initiative	34. Tolerance against uncertainty
14. Flexibility	35. Aggression
15. Intelligence	36. Satisfaction
16. Focusing on clear objectives	37. Advantage
17. Being Competitive	38. Being promising
18. Independency	39. The ability to rely on employees
19. Sensitive to critical situations	40. Sensitivity
20. Efficiency	41. Integrity
21. Being Decisive	42. Maturity

Table 6: Frequent entrepreneurial qualities, Source: Kuratko & Hodgetts (1998) (Melek & Kaygusuz, 2014)

Going through the table again, we can see that the entrepreneurs are expected to have socially accepted values, which include like honesty, trust, reliability, maturity, integrity, sympathy and socially approved emotions such as sensitivity, satisfaction, optimism. Along with these, they are also expected to have interpersonal communication skills like having good relationships, which include communicating and influencing other people. This way they are able to lead and rely on employees.

However, the core skills, these that make the entrepreneurs who they are, include:

- ➔ Risk-taking ability: The ability of the entrepreneur to take risks is the driver for discovering something unique, e.g. generating the entrepreneurial idea. Entrepreneurs

that use differentiated approach towards risks usually achieve success. Good entrepreneurs are always ready to invest their time and money but usually they know their limits. Therefore, entrepreneurs do not take unnecessary risks. He can control his emotions and accepts risk if only profit equals it or higher than it is (Tan & Pazarçık, 1984). According to Low and MacMillan (1988), entrepreneurs have tendency to take risks as much as everyone does; however, they are very good risk managers. (Melek & Kaygusuz, 2014) So, they have a backup for every risk they take based on preliminary evaluation and awareness regarding the possible consequences.

- ➔ Innovation and creativity: Creativity produces the innovative idea – the factor for creating / renewing the business. It is almost a necessity for them to introduce original, new and surprising ideas or act in an original way or surprisingly; however, all these ideas and actions must contribute to his life or the others' lives in a positive way (Peterson & Seligman, 2004). (Melek & Kaygusuz, 2014) Creativity is also a factor for business success, as entrepreneurs have to adapt to everyday challenges and find out-of-the box solutions that to lead to business growth.
- ➔ Self-confidence: This individual believes that he can overcome all difficulties he meets through his self-confidence. Self-confidence is reflected in courage, enthusiasm and abilities to lead, present and negotiate. Self-confidence accelerates the development of positive feelings by increasing inner peace. Self-confident people have passion to learn and they are open to searching and criticism. (Melek & Kaygusuz, 2014). It is known that creativity, self-confidence and optimism trigger entrepreneurs interactively. (ibid). Successful entrepreneurs not only rely on their confidence, but are affected by it through their overall business journey.
- ➔ Initiative and decision taking: One of the most valuable qualities of entrepreneurs is their ability to take decisions and undertake initiatives. There might be great ideas but only the decision to go for it is what will bring the difference.
- ➔ Constancy: Entrepreneurial discipline refers to the ability to keep working although hurdles and progressing as a person and as business venture. It helps entrepreneurs to plan efficiently ahead, to manage their time and resources better and helps them improve their inner strength.

To conclude, characteristics associated with entrepreneurs should not mean that they are selfish and self-centered people who only think about themselves. One of the most important factors that motivate entrepreneurs is that they consider not only their own personal benefits but also social benefits. Individual entrepreneur figures out advantages for himself while working in production field but at the same time he considers the advantages and disadvantages of this situation for the society. (Melek & Kaygusuz, 2014)

It is known that motivation has an important role in forming entrepreneurship culture. Motivation includes a trinity cycle which is either an incentive that takes the entrepreneur to a certain target or it is the behavior which is done to reach the target and lastly it is the process of reaching the target (Cabar, 2006). It is highly difficult to develop a motivation model for every person or entrepreneur although it is admitted that there are some incentive tools for motivational purpose. We can include financial, psychological and social tools as incentives. There are also organizational and administrative incentive tools to be added to the list (Cabar, 2006). (Melek & Kaygusuz, 2014)

It was already mentioned that the entrepreneurial activity in the CCIs are different from the other. Cultural entrepreneurs are driven by complex motives. Their motivation, desire, and experience are determinants for starting an entrepreneurial or self-managed career (Amolo & Beharry-Ramraj, 2015). The motivation for most of the cultural entrepreneurs is making a decent living (Phillips, 2010; Coulson, 2012), building social reputation and career achievement (Chen, Chang & Lo, 2015) than solely financial success. They prefer to engage in activities, which align with their career aspirations and identities (Scott, 2012). Cultural entrepreneurs with an artistic background are triggered by intrinsic motivation as artistic fulfilment and growth, creation of beauty, the challenge of creating something new (Bridgstock, 2013), and passion for work (Bhansing et al., 2018; Gregory & Rogerson, 2018). Some cultural entrepreneurs decide to start a business because of the frustration in their sector and identified the market gap as an opportunity for innovation (Gregory & Rogerson, 2018). Cultural and creative entrepreneurs are passionate about their work and eager to achieve self-realisation (Wright, Marsh & McArdle, 2019), which may lead to unprofitable self-exploitation (Oakley, 2014; Werthes et al., 2018). They are continually trying to find a balance between artistic, financial, and self-development (Dobrevva & Ivanov, 2020).

IV. Suggested readings:

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