

Innovative Entrepreneurship

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Entrepreneurs play very important role in this direction. Entrepreneurs set up ventures, which shift the resources into area of higher productivity and greater yield. Pure entrepreneurs depend upon innovation to set up new ventures. In a fact, entrepreneur is himself an innovator, who introduces something new in the economy. Entrepreneurs are looking for ways to encourage and faster creativity and innovation.

Introduction:

The entrepreneurs are key persons of any country for promoting economic growth and technological changes. Entrepreneurs are backbone of industrial development. By accepting the importance of entrepreneur, a large amount is allotted for entrepreneurship development programmes in various five year plans of our nation. Moreover various institutions have been established at state and national level for entrepreneurship development in India. In the present era, it is being realized that entrepreneurship contributes to industrial development of a country in several way i.e. assembling and harnessing various inputs bearing the risks, innovating new techniques of production, increasing the level of quality etc. Entrepreneurship in the country like India is regarded as the ultimate determining factor for the economic and industrial development of the country and leads people towards self-employment.

In the earlier time, needs of a human being were very limited. But due to industrial revolution, fundamental changes have been reported in production process, products are produced on large scale on the basis of anticipated demand, which has changed living standard as well as needs of our society. Entrepreneurs play very important role in this direction. Entrepreneurs set up ventures, which shift the resources into area of higher productivity and greater yield. Pure entrepreneurs depend upon innovation to set up new ventures. In a fact, entrepreneur is himself an innovator, who introduces something new in the economy. Entrepreneurs are looking for ways to encourage and faster creativity and innovation.

Meaning and Definition of Innovation :

Entrepreneur is an innovator, because he introduces something new in an economy. By innovation, an entrepreneur shifts the resources into area of higher productivity and greater yield. Innovation plays dominant role in creation of new product. Innovative behavior is very important entrepreneurial function. All these discussion reveals that innovation is the process of doing new things. It implies action, not just conceiving new ideas. Innovation is a process of introducing new product or production process and implementing it in production function.

According to Joseph Schumpeter, Innovation means “ Doing all the things that are not generally done in the ordinary course of business like new manufacturing process, introduction of a new goods or services, locating a new sources of raw material, opening a new market, developing new combination of means of production etc.”

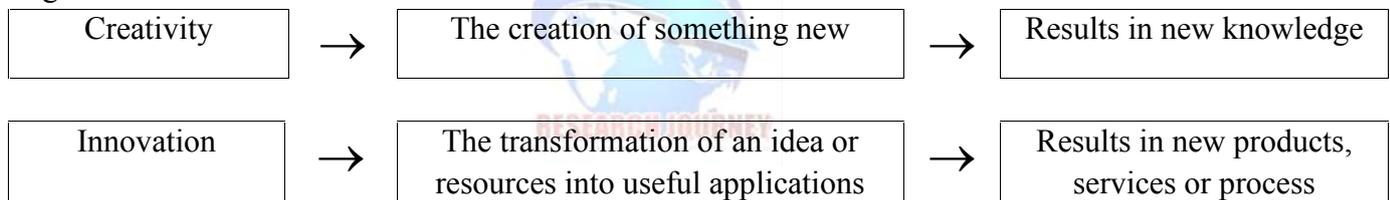
According to Peter Drucker, “Systematic innovation consists of the purposeful and organized search for changes and in the systematic analysis of the opportunity, such changes might offer scope for economic and social innovation.”

In short, innovation is a specific tool of entrepreneur by which he exploits changes as opportunity for different business or service. By innovation, an entrepreneur does things in a new and better way.

Creativity and Innovation:

The terms creativity and innovation are often used to mean the same meaning. But both are not the same, though they are closely related. Both have a unique combination. Creativity is the ability to bring something new into existence and innovation is a process of doing something new. Ideas have little value until they are converted into new products, services or processes. Innovation is the transformation of creative ideas into useful application by combining resources in new or unusual ways to provide value to society for improved products, technology or services.

The difference between creativity and innovation can be better understood by following figure.



Important characteristics of innovative Entrepreneurship:

Important characteristics of innovative Entrepreneurship can be discussed as below.

1. New entrepreneur involves new idea generation, collecting information and knowledge, understanding problems, verification of useful application and its assessment.
2. New and new entrepreneurs innovate new goods and services. New and new entrepreneurs set-up ventures to introduce innovative product so it is continuous process.
3. There is similarity in global need that human being always wants innovative product periodically. So application of innovative Entrepreneurship has been accepted universally. E.g. to innovate product that minimizes environmental pollution is a global need.
4. By exploiting innovative opportunities, an entrepreneur earns economic gains and society receives new goods and services. So commercial implementation of innovation offers scope for economic and social benefits.
5. Innovation is a specific tool of an entrepreneur, by which he shifts available resources into wealth. E. e. shifting the resources of lower productivity and yield into the area of

higher productivity and greater yield. With the help of innovation, an entrepreneur shifts raw materials into consumable goods and services and as a result into creative wealth.

6. Innovation is an important of an entrepreneur. To become an entrepreneur, one should develop innovative ability. An entrepreneur is an innovator, who introduces something new in the economy.
7. Every entrepreneur can not become innovative entrepreneur. Because in order to exploit innovate opportunities, specific qualities are required like openness, independency, team work, high I Q continuous analysis of external business environment etc.

Scope of Entrepreneurship

The area of innovation are not limited to only science and technology. But its areas are widely spread. Under its scope, following innovative entrepreneurship can be covered.

1. If an entrepreneur introduces new sources of raw materials, creates new product, introduces new manufacturing process, locates new market, introduces new distribution channel etc., it is called innovation in business sector. E.g. use of plastic bottle for packaging liquid materials instead of glass bottle, use of zerox machine instead of carbon paper.
2. Innovation is closely related with an entrepreneur and due to entrepreneurship and innovation, innovation in production and service sector is feasible. E.g. use of electricity for manufacturing instead of coal, use of CNG for vehicles instead of petrol and diesel. etc. Due to innovation in production and service, production cost can be reduced and consumer's comforts can be increased.
3. Generally entrepreneurs established small-scale industries in ruler or semi urban areas, which are producing raw material or semi finished materials and such materials are used by large scale industries located in urban areas for producing consumable goods and services. Hence ruler areas do not remain backward. Such innovative behavior of entrepreneurs is called innovation for bringing balanced regional development.
4. Entrepreneurs establish small-scale industries in ruler areas and govt. provides more financial assistance in ruler entrepreneurs. Hence in ruler areas, people get employment and additional income in addition to agricultural income, which helps in equal distribution of income. So such innovation plays an important in reducing the unequal distribution of income.
5. Due to development of entrepreneurship and innovation, rapid development in business, trade, commerce and agricultural sector become feasible. Hence country's national and per capita income increase. At present the portion of small-scale entrepreneurs in total national income is an increasing.
6. It an entrepreneur can meet foreign demand, his product can be exported in international market, which results in export promotion. Export promotion increases country's foreign exchange. So if an entrepreneur innovates export-oriented product, it is called innovation in export promotion sector.

Conclusion :

The entrepreneurship are key persons of any country for promoting economic growth and technological changes. Entrepreneurs are backbone of industrial development. In the present era,

it is being realized that entrepreneurship contributes to industrial development of a country in several way i.e. assembling and harnessing various inputs bearing the risks, innovating new techniques of production, increasing the level of quality etc. Entrepreneurship in the country like India is regarded as the ultimate determining factor for the economic and industrial development of the country and leads people towards self-employment.

Due to industrial revolution, fundamental changes have been reported in production process, products are produced on large scale on the basis of anticipated demand, which has changed living standard as well as needs of our society. Entrepreneurs play very important role in this direction. Entrepreneurs set up ventures, which shift the resources into area of higher productivity and greater yield. Pure entrepreneurs depend upon innovation to set up new ventures. In a fact, entrepreneur is himself an innovator, who introduces something new in the economy. Entrepreneurs are looking for ways to encourage and faster creativity and innovation.

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