

# Entrepreneurial Mindset: Conceptual Analysis and Effective Way for Profit Making<sup>1</sup>

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## ABSTRACT

In an era of industrialization, an entrepreneur is a decision maker, where entrepreneur attempt to maximize profit. An entrepreneurial mindset is practice that keep at priority long term planning, enabling to face any problems and challenges with start-up a business. It shows having an open mind, keep in mind critical, analytical thinking, and being active times not favorable and looking for solutions. An entrepreneurial mindset becomes a set of skills helping people to identify and have opportunities, overcome problems and learn from setbacks, and succeed in a various situations. The entrepreneurial mindset successful with Curiosity, Connections, and Creating Value. A good entrepreneur is always open to new ideas and analysis focus on business to succeed and characteristics to cultivate. The focus of this article is to study the Nature, Entrepreneurship Theory: Behavioral Approach, Impact of factors on Entrepreneurship mindset and Opportunity Avail, Government policy and analyzing the effect of entrepreneurship mind set .

**Keywords:** *Cultivate; Entrepreneurship; Mind; Opportunity.*

## INTRODUCTION:

### Nature vs. Nurture as Entrepreneurs

A person can learn the technique, art and skill of sales, marketing, and promotion of product, important for business. Everyone cannot succeed as an entrepreneur. People do not have desire to succeed and the mindset to sacrifice, be uneasy, and make tough decisions occasionally. The success depends on the character and makeup of an individual versus someone, simply has skills with desire to do the task at right time and the right way. All the business owners do not consider themselves to be entrepreneurs. One can be part of it, creating something entrepreneur wish the world to see and a business is a way to do it. An entrepreneurial enable person mindset with a set of skills to make the opportunity and success makes a practice. An entrepreneur is always open to new ideas and **criticism, they can succeed in business.**

### Features:

(a) Every entrepreneur have three common reasons people interested to start their own business. Freedom and flexibility to pursue own business with inspiration.

(b) Entrepreneurial Mindset with Five 5 Characteristics to Cultivate:

(i) A Positive Mental Attitude,

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- (ii) A Creative Mindset,
  - (iii) Persuasive Communication Ability,
  - (iv) Intrinsic Motivation and Drive,
  - (v) Tenacity and an Ability to Learn from Failure.
- (c) The entrepreneurial mindset with three key elements —the 3C's
- (i) Curiosity,
  - (ii) Connections,
  - (iii) Creating Value.
- (d) Determination of entrepreneur by:
- (i) Drive
  - (ii) Decisiveness
  - (iii) Independence
  - (iv) Authenticity
  - (v) Flexibility
  - (vi) A Thirst for Knowledge
- (e) Entrepreneurship mindset with the four P's:
- (i) Product,
  - (ii) Price,
  - (iii) Place,
  - (iv) Promotion.

The four P's help together in marketing mix. The decisions on one element will influence the choices available in others.

### **ENTREPRENEURSHIP THEORY : BEHAVIORAL APPROACH**

Entrepreneurship theories add Innovative solutions which makes entrepreneurs different from normal businessmen and having foresight.

#### **1. Innovation Entrepreneurship Theory**

J.A. Schumpeter economist, put forth the well-known innovative theory focus on changed entrepreneur's perspective. In his view, entrepreneurs take the stationary economy to a new level of development by adding innovation and creativity of their own. Economist also stated that entrepreneurs bring innovation in two ways namely: By reducing the cost of production and increasing the demand for certain products.

## 2. Economic Entrepreneurship Theory

This theory was proposed by Richard Cantillon considered the economy as one of the fields affected by entrepreneurship. In Cantillon view, an entrepreneur acts as producers and exchangers. An entrepreneur's action affects the supply chain of raw products being collected, to make an end product for consumers. Everyone as an entrepreneur from their actions starting from a small loan borrower to restaurant owners as they also have their source of unfixed income and this counts as a unique factor and made his theory stand out from other entrepreneurship theories.

## 3. Sociological Entrepreneurship Theory

The theory shows the social aspects of entrepreneurship such as social taboos, customs, culture, and the religious beliefs, with established business up to the mark with every consumer's expectation. According to Max Weber, the sociological entrepreneurship theory stated, entrepreneurs should accept the system of a society for the development of themselves as well as their startup.

## 4. Psychological Entrepreneurship Theory

Psychological theories in three sections, based on the personal characteristics of a typical entrepreneur.

(a) **Locus of control-** The entrepreneur's success is an outcome of internal as well as the outer locus of control and person Inside abilities and support from outside.

(b) **Theory of personality traits--**The inborn qualities of an individual are the one that naturally makes them an entrepreneur.

(c) **Theory of need for achievement-** Entrepreneurs are driven by a need for achievement and makes them succeed.

## 5. Opportunity based Entrepreneurship theory

Peter Drucker in his theory stated, entrepreneur always searches for change, responds to it and expects it as an opportunity. Peter Drucker and Howard Stevenson focused on a wide-ranging conceptual framework of entrepreneurship.

## 6. Resource-based Entrepreneurship theory

Finances and time alone are not sufficient for a new startup. Entrepreneurs require resources to make their efforts productive. The main focus remain on showing the importance of financial, social, and human resources and in the process enhance an individual's abilities.

## 7. Anthropological Entrepreneurship theory

Anthropologists introduces the human aspects within the past and present and makes them good observers of society and have a successful venture. Entrepreneurs consider the social and cultural contexts. Entrepreneurs find possibilities of difficulties the social aspects of business activities (social or environmental). It encourages to come up with new ways to solve difficulties, or at the very least contribute to their solutions and relates to the cultural model of entrepreneurs.

## 8. Process of Stage Entrepreneurship theory

Venkat Rao describe the development journey of an entrepreneur and widely accepted theory by five steps of entrepreneurship development:

- (a) Simulation for stimulation of entrepreneurship
- (b) Identifying abilities and capacities of entrepreneurship
- (c) Expansion and development stage

(d) Publicity foundation and Promotion

### Opportunity Analysis

Opportunity Analysis as systematic examination and evaluation of external environments to identify the market acceptance, needs, desire and economic factors in the creation of a new product or expansion of existing products and the profitably. The evaluation of product expansion or manufacturing and distribution will vary from small changes within a current production model. It leads to production or distribution expense reduction or increases overall efficiency, launch of a new product line that will increase profitability for a business overall as part of an opportunity analysis. Now, the Goal is to increase profits by reducing expenses or broadening the range of products offered, undergoing an opportunity analysis.

### Impact of factors on Entrepreneurship mindset and Opportunity Avail

- (i) **Technological factors-** include production techniques, information and communication resources, production, logistics, marketing, and e-commerce technologies. These affect how an organization operates, sells its products, interacts with, and gathers intelligence on customers, suppliers and competitors.
- (ii) **Cutting-edge Technologies-** Cutting-edge technologies are the ultimate game changer in the macro environment, as they can create new markets and customers. The significant technologies include quantum artificial intelligence, edge computing, 5G connectivity, net-zero buildings, and longevity boosters to combat ageing and age-related diseases.

### Government Policies

**(I) For Small Scale Industries--**India as the world's only genuinely emerging market and the growing Small and medium-sized (SMEs) sector of India increase the development. The Small and medium-sized sector accounts for over 40% of the total GDP and continues to be a vital source of jobs for the increasing population of India. India is experiencing a boom in startups in all industries, including IT, Service Delivery, Wellness, Technology, and others. The Government has launched several schemes to make the process quick in order to enable young entrepreneurs to Startup companies that will ultimately generate job opportunities. The majority of these schemes offer financial aid in the form of subsidies and loans to individuals and organizations.

### 2. For Budding Entrepreneurs

**(1). Atal Incubation Centre (AIC)-**Atal Incubation Centre is a funding scheme that Started in the year 2016. Supported by the NITI Aayog, supporting entrepreneurs by covering their operating costs of capital. The approved business ventures avail up to Rs. 10 crore over a five-year term. Atal Incubation Centre allows researchers, students, and startup owners to apply for the scheme. The entrepreneurs can set their company as a Public-private partnership, Public organizations, or as a completely Private Organization. The entrepreneur needs to set up space of around 10,000 sq. ft. and set up the physical infrastructure within six months of disbursement of financial assistance.

**(2) Micro, Small, and Medium Enterprises (MSME) Business Loans in 59 Minutes-**The MSME Business Loans in 59 Minutes is the most demanding business loan scheme. This program was introduced in the year 2018 by the Government of India. The scheme is introduced to provide financial assistance to micro, small, and medium enterprises. The entrepreneurs can avail of loans of up to one crore under this scheme. Disbursement of the financial assistance happens within 1-2 weeks. A majority of the public sector banks are a part of this scheme.

**(3). National Small Industries Corporation (NSIC) Subsidy-**NSIC subsidy offers two forms of financial benefits for small businesses: Raw Material Assistance and Marketing Assistance. Raw Material Assistance helps to purchase raw materials from abroad and from India. Marketing Assistance, on the other hand, helps to improve the sales of products and services with an efficient marketing process. The program is introduced to provide loans to SMEs , looking for growth or rapid expansion.

**(4). MSME Market Development Program-**This development program is designed to provide market expansion assistance to micro, small, and medium enterprises using international events, trade fairs, and road-shows. This system helps in the growth of the business by providing them assistance in terms of expansion into international markets. Any

startup organization registered under District Industries Centre can apply for this program under which to and fro travelling expenses will be borne by the Government for participating in International exhibitions and bears half of the accommodation charges and three fourth amount of the participation charges.

(5) **MUDRA Loans**-The Government of India initiates MUDRA loans for providing business finance for micro-business units. Since most of the time, the small-medium enterprises suffer from lack of funds, the Government launches this program to encourage participation and growth of the startups across different sectors like trading, manufacturing, services, etc.

(6) **Swarojgar Credit Card**-Swarojgar Credit Card was initiated to provide loans to small-time businessmen like Fishers, Homemakers, Travel Operators, Shopkeepers, etc. Under this scheme, the small-time business owners can take a loan of Rs. 25000 in terms of credit- card facilities. A passbook is also provided to keep track of the financial transactions. The card will be valid for five years and can be renewed upon satisfactory results from the initial investments.

(7) **Coir Udyami Yojana**-The primary objective of this scheme is to build coir units throughout India. This Coir Board oversees this system which provides financial assistance up to Rs. 10 lakh to eligible units. However, the credit term should not exceed one-quarter of the project value . Individual entrepreneurs, joint ventures, private institutions, the public-private enterprises can avail of benefits under this scheme.

(8) **Refinancing by NABARD**-This program launched by NABARD (National Agricultural Bank and Rural Development) focuses on providing refinancing to lending institutions in agricultural areas. Its aims is to provide growth to rural enterprises based in diverse areas. Various handicraft manufacturing industries, rural institutions, agricultural setups have taken part in this scheme and made rapid growth.

(9) **The Women Entrepreneurship Platform**-The Government of India introduced the Woman Entrepreneurship Platform to promote women's entrepreneurship. The NITI Aayog is the primary driver behind this program and aims to boost the morale of young and dynamic woman entrepreneurs. This scheme has got three divisions: Gyaan, Iccha, and Karma Shakti, Iccha Shakti aims to empower women to start a company. Gyaan Shakti offers a favorable environment for setting up a business. Karma Shakti provides practical help to women entrepreneurs to start their own business or scale them up. Any form of the organization - be it NGO, Corporations, and Associations - led by women entrepreneurs able to apply under this program. This scheme provides several other benefits such as mentoring, credit score improvement, and tie-up with corporate, etc.

(10) **Stree Shakti Package**-The Stree Shakti Package is provided in India by most branches of the State Bank of India (SBI) and focuses on providing women in business with a business loan. The biggest benefit of this startup business loan for women is that loans up to Rs. 5 lakh need no protection. In addition, some concessions are made by the bank, such as having a reduced interest rate in the event of the loan exceeds Rs. 2 lakh. But the main downside of this loan is that it is only open to women who hold a 51% or greater share in the business.

(11) **Venture Capital Scheme**-This Venture Capital Scheme is a program run by Small Farmers Agribusiness Consortium. This program aims to improve agricultural production and the Small Farmers Agribusiness Consortium helps in the development of the agricultural market and improvement in the marketing of agricultural products. The minimum value of the business should be 50 lakhs to become eligible for this program.

(12) **End to End Energy Efficiency Scheme**-The End to End Energy Efficiency scheme was launched in the year 2016. The SIDBI (Small Industrial Development Bank of India) initiates this program in collaboration with the Government of India. Any micro, small, or medium enterprise that is in the business for three years and earning revenue for two years can avail of benefits under this scheme. This scheme is designed to support only energy-efficient units that need to do an energy audit through an auditor affiliated with the Bureau of Energy Efficiency. The startups can also purchase equipment using this line of business finance.

(13) **Credit Link Capital Subsidy Scheme**-This scheme helps small-medium enterprises to improve their productivity through technological upgrades and it can be attributed to different processes and systems related to the business, such as sales, marketing, delivery module, etc. The Government of India launched the Credit Link Capital

Subsidy Scheme to reduce the cost of production for SMEs, thus enabling them to remain competitive in comparison with other players in local and foreign markets.

**(14) Standup India**-The Government of India started the Standup India program in the year 2016. It is launched with the sole aim of promoting entrepreneurship and startup cultures in India and is driven by the Small Industries Development Bank of India. The SMEs can avail of loans of up to one crore under this program and enables to take a loan of up to 75% of the total project cost.

#### **Analysis:**

The pandemic encourage to learn, it is no certainty about the time that people are employed. The companies shut down while others were forced to let go of even their most valuable employees to keep the company interest in functioning. The entrepreneurial mindset will allow to succeed in this day and age. Entrepreneurial mindset form a successful entrepreneur and person have more than one of these entrepreneurial skills.

1. **The ability to have a positive attitude**--For running a successful business, having a positive attitude and the way around challenges and obstacles and reflect on the way to conduct business. This also affects how the employees react and take it away. Feel to face a setback, employees and the people around have that much confidence and having a positive attitude allows to control problems and obstacles focus on judgment brought by positive emotions.

2. **Openness to know**--Running a business is unpredictable and be prepared for what is to come, with some situations to happen. As a budding entrepreneur, try to take everything in skillfully with the zeal. In entrepreneurship, a person face to the changing environment of businesses. As an online business model to continue selling the products.

3. **The curiosity a big deal**--In businesses, different parts of the business work. When investigating how things work and use analysis thinking to observe at things from a different view. The situations allow to come up with various solutions to the business problems and mistakes effecting business.

4. **Persuasion effect naturally**--An entrepreneur with the ability to persuade people, in respect of a sale or proposing a solution to a problem. The key to persuading people is to be an effective communicator and know how to drive the point across, how to deliver message on more than one platform, be it on social media page, YouTube Channel or even the Blog .

5. **A Person with creative skill**--The problem-solving comes with ability to come up with various modes to solve the problem from more than one angle. The creativity is also an important factor in how innovate the products and services. With creativity skill entrepreneur want to sell or to solve. The most successful businesses and companies in the world do not start up from just one product.

6. **Motivational Entrepreneur**--Entrepreneur spent hours during the week to get things done. Entrepreneur face failure and still managed to become successful. Being hardworking as well as an entrepreneur is need to be self-motivated. Self-motivation is also affected by positive entrepreneurial thinking. The more thinking empower to control the problem and get easier to motivate self.

7. **Resiliency and Tenacity**--During a global pandemic, every business face hardship and difficulties. Due to loss, feel rest, recharge and get back to try once again. Tenacity and resiliency in the face of adversity are the driving forces for success in any industry.

8. **Ownership Taking as Responsibility**--Ownership of own actions is taking possession of the business, with the responsibilities, go along with it and drives to make the business more successful. Accountability and to understand fault, Entrepreneur with positive response to do the things and decide what to follow and not to follow or do.

9. **Receptiveness as Approach**--A good entrepreneur always open to new ideas and criticism. They want the business to be succeeded and not always figure things out on their own and involve few people from the outside providing feedback. The vision and idea for business is clear and another thing to be receptive to ideas from other people. As an entrepreneur to be receptive to feedback and criticism about the business.

10. **Passion as Success**--When business is built with passion, as long as to make things work in order to pursue the greater cause, business will be in fine state. When passionate, a person genuinely motivated to come up with solutions and ideas for the industry and for the people.

11. **The ability to walk in another person's shoes**--Empathy is a trait, gets overlooked by business owners. Solution expected to solve the environmental issues. People around do not in fact know about happening within their workforce due to business.

12 **The bottom line**--Entrepreneurs need to be feel all right with failure. Not all of the plans make become to be million-dollar ideas. Times can be difficult for entrepreneur, and survival become with the right mindset and to be a good entrepreneur. When a person with the passion and drive to become better, then business will continue to thrive. Starting a business is tough job. Many businesses do not have successfully developed.

## **CONCLUSION**

An entrepreneurial mindset exists in industrialized era opportunity to have a set of skills helping people to overcome problems, learn from setbacks and succeed in a various situations. The entrepreneurial mindset is keeping in mind Curiosity, Connections, and Creating Value. An entrepreneurial mindset with skills enable person to be success makes a practice. Entrepreneurship Theory as Behavioral Approach add Innovative solutions which makes entrepreneurs different from normal businessmen and having foresight. Impact of Technological factors and cutting edge technologies effect on Entrepreneurship mindset and Opportunity avail ability to have positive aspects, openness to know, creative skill, motivation, responsibility and passion for success. Government Policies helps to develop small, medium scale business by funding through financial helps through various schemes more actively since 2016 and earlier plans. Opportunity Analysis becomes systematic examination and evaluation of external environments to identify the market acceptance, needs, desire and economic factors in the creation of a new product or expansion of existing products and the profitably.

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