

Research Article

ENTREPRENEURSHIP UNDER THE EFFECT OF INFORMATION TECHNOLOGY

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ABSTRACT

An Entrepreneur is a manager or the owner of commercial company that creates resources and money by risking and initiative. The Netpreneurship is the capability to run an online business. It needs only the Connectivity. An Entrepreneur, as long as he has a service which the market demands can set up a feasible and viable trade with his Intellectual Capital as the principle input and the Connectivity Infrastructure as the only physical input. Internet is possibly the most significant revolution in science and technology that our generation could fantasize or imagine. It has introduced in various benefits to the society, culture, economics and politics. The Entrepreneur is a premium member in the community. She/he provides services to the society and community including employment.

Keywords: *Entrepreneur, Netpreneur, "Intellectual Capital", Infrastructure*

INTRODUCTION

Entrepreneurship is a phenomenon of tremendous societal importance, and it is quite appropriate that in the globalization era, particularly, when we are speaking about immigration. Internal and external information and communication processes at enterprises across almost every industry sector have been increasingly supported by electronic information technologies.

The fundamental advantages of such technologies insure that this trend will continue in the future. The constant development of technology in the accompanying Net Economy has had a significant influence on various possibilities for developing innovative business concepts based on electronic information and communication networks and realizing these by establishing a new company (e-ventures). Against this background, the term 'e-entrepreneurship' describes the act of establishing new companies specifically in the Net Economy. This paper is aimed to refer the theme "e- Entrepreneurship" having as reference companies that operate only on internet. It is quite evident that we are on knowledge era and those who are desirous of becoming an e-entrepreneur need to do a lot of exercise prior to venturing into online business. Because, online business requires systematic and in-depth study as our entrepreneurs has to administer their companies in different virtual places, having different customers, suppliers and competitors.

Entrepreneurship

According to Hissich and Peters (2002), entrepreneurship consist on the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks and receiving the resulting rewards of monetary and personal satisfaction and independence. According to Nafziger (1997 and 2006), the entrepreneur can be viewed in at least four ways:

- (1) As the coordinator of other production resources– land, labor, and capital;
- (2) As the decision maker under uncertainty;
- (3) As the innovator; and
- (4) As the gap filler and input completer.

Characteristics of Entrepreneurship

During 17th Century, Person bearing risks of profit (loss) in a fixed contract with government. Richard (1725), person bearing risks is different from one supplying capital. Jean (1803) separated profits of entrepreneur form profits of capital. Francis (1876) distinguished between those who supplied funds and received interest and those who received profit from managerial capabilities. Joseph (1934) entrepreneur

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is an innovator and develops untried technology. David (1961) entrepreneur is an energetic, moderate risk taker. Peter (1964) entrepreneur maximizes opportunities. Albert (1975) entrepreneur takes initiative, organizes some social and economic mechanisms, and accepts risks of failure.

Karl (1980) entrepreneur seen differently by economists, psychologists, business persons, and politicians. Gifford (1983) entrepreneur is an entrepreneur within an already established organization. Robert (1985) entrepreneurship is the process of creating something different with value by devoting the necessary time and effort; assuming the accompanying financial, psychological, and social risks; and receiving the resulting rewards of monetary and personal satisfaction.

Entrepreneur

An entrepreneur is an owner or manager of a business enterprise who makes money through risk and initiative. Entrepreneur in English is a term applied to a person who is willing to help launch a new venture or enterprise and accept full responsibility for the outcome. Jean-Baptiste Say, a French economist, is believed to have coined the word "entrepreneur" in the 19th century - he defined an entrepreneur as "one who undertakes an enterprise, especially a contractor, acting as intermediately between capital and labour". According to Longeneeker, Moore *et al.*, (1994), a common stereotype of the entrepreneur emphasizes such characteristics as:

1. Pressing need for achievement.
2. A willingness to take moderate risks, and strong self-confidence.

Wheelen and Hunger (2000) identified four entrepreneurial characteristics such as:

1. The ability to identify potential venture opportunities better than most people;
2. A sense of urgency that makes them action oriented;
3. A detailed knowledge of the keys to success in the industry and the physical stamina to make their work their lives;
4. Access to outside help to supplement their skills, knowledge and abilities.

Functions of the Entrepreneur

Kilby (1971) identifies thirteen entrepreneurial functions:

Exchange relationship

1. Seeing markets opportunities (novel or imitative);
2. Gaining command over resources;
3. Marketing the product and responding to competition;
4. Purchasing inputs.

Political administration

5. Dealing with the public bureaucracy (concessions, licenses, taxes, and so forth);
6. Managing human relations in the firm;
7. Managing customer and supplier relations. Management control
8. Managing finances;

1. Managing production (control by written records, supervision, coordinating input flows with customer orders, maintaining equipment); Technological
9. Acquiring and overseeing plant assembly;
10. Minimizing inputs with a given production process– industrial engineering;
11. Upgrading processes and product quality;
12. Introducing new production techniques and products

Types of Entrepreneurs

The literature has distinguished among a number of different types of entrepreneurs, for instance:

Social entrepreneur a social entrepreneur is motivated by a desire to help, improve and transform social, environmental, educational and economic conditions.

Key traits and characteristics of highly effective social entrepreneurs include ambition and a lack of acceptance of the status quo or accepting the world "as it is". The social entrepreneur is driven by an emotional desire to address some of the big social and economic conditions in the world, for example, poverty and educational deprivation, rather than by the desire for profit.

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Social entrepreneurs seek to develop innovative solutions to global problems that can be copied by others to enact change. Social entrepreneurs act within a market aiming to create social value through the improvement of goods and services offered to the community. Their main aim is to help offer a better service improving the community as a whole and are predominately run as nonprofit schemes. Zahra *et al.*, (2009) said that “social entrepreneurs make significant and diverse contributions to their communities and societies, adopting business models to offer creative solutions to complex and persistent social problems”.

Serial Entrepreneur

A serial entrepreneur is one who continuously comes up with new ideas and starts new businesses. In the media, the serial entrepreneur is represented as possessing a higher propensity for risk, innovation and achievement.

Lifestyle Entrepreneur

A lifestyle entrepreneur places passion before profit when launching a business in order to combine personal interests and talent with the ability to earn a living. Many entrepreneurs may be primarily motivated by the intention to make their business profitable in order to sell to shareholders. In contrast, a lifestyle entrepreneur intentionally chooses a business model intended to develop and grow their business in order to make a long-term, sustainable and viable living working in a field where they have a particular interest, passion, talent, knowledge or high degree of expertise. A lifestyle entrepreneur may decide to become self-employed in order to achieve greater personal freedom, more family time and more time working on projects or business goals that inspire them. A lifestyle entrepreneur may combine a hobby with a profession or they may specifically decide not to expand their business in order to remain in control of their venture.

Common goals held by the lifestyle entrepreneur include earning a living doing something that they love, earning a living in a way that facilitates self-employment, achieving a good work/life balance and owning a business without shareholders. Many lifestyle entrepreneurs are very dedicated to their business and may work within the creative industries or tourism industry, where a passion before profit approach to entrepreneurship often prevails.

Theory-based Typologies

Recent advances in entrepreneurship research indicate that the differences in entrepreneurs and heterogeneity in their behaviors and actions can be traced back to their founder's identity. For instance, Fauchart and Gruber (2011, *Academy of Management Journal*) have recently shown that - based on social identity theory - three main types of entrepreneurs can be distinguished: Darwinians, Communitarians and Missionaries.

These types of founders not only diverge in fundamental ways in terms of their self-views and their social motivations in entrepreneurship, but also engage fairly differently in new firm creation.

Details of Entrepreneurs

18th century entrepreneurs Samuel Crompton (Spinning Mule), UK Thomas Newcomen (Steam Engine), UK James Watt (Steam Engine), UK 19th century entrepreneurs John Jacob Astor (Real estate), New York, USA Andrew Carnegie (Steel), Pittsburgh, USA James Buchanan Duke (Tobacco), Durham, North Carolina, USA J. P. Morgan (Finance), New York, USA John D. Rockefeller (Oil), USA Leland Stanford (Railroads), California, USA Joseph Seligman (Banking), USA Cornelius Vanderbilt (Railroads), USA 20th century entrepreneurs Otto Beisheim (Retail), Germany Sir Richard Branson (Media and Transportation), UK Larry Ellison (Computers), USA Bill Gates (Computers), Seattle, USA Carlos Slim (Telecommunications), Mexico Steve Jobs (Computers), USA Ingvar Kamprad (Retail), Sweden Henry Hu (Technology), Hong Kong Henry Ford (automobile, manufacturing) USA 21st century entrepreneurs Mark Zuckerberg (Internet), USA Drew Houston (Internet), USA Jack Dorsey (Internet), USA Kevin Rose (Internet), USA Larry Page & Sergey Brin (Internet), USA

Review of Literature

The most significant influence on an individual's decision to become an entrepreneur is workplace peers and the social composition of the workplace. The ability of entrepreneurs to innovate relates to innate

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traits such as extroversion and a proclivity for risk-taking. Schumpeter (1934), the capabilities of innovating, introducing new technologies, increasing efficiency and productivity, or generating new products or services, is characteristics of entrepreneurs. Entrepreneurs are catalysts for economic change. Research has found entrepreneurs to be highly creative with a tendency to imagine new solutions by finding opportunities for profit or reward. There is a complexity and lack of cohesion between research studies that explore the characteristics and personality traits of, and influences on, the entrepreneur. Most studies, however, agree that there are certain entrepreneurial traits and environmental influences that tend to be consistent. Although certain entrepreneurial traits are required, entrepreneurial behaviors are dynamic and influenced by environmental factors. Shane and Venkataraman (2000) argue the entrepreneur is solely concerned with opportunity recognition and exploitation; although, the opportunity that is recognized depends on the type of entrepreneur which Ucbasaran *et al.*, (2001) argue there are many different types dependent on their business and personal circumstances. However, it should also be noted that there are approaches that appear highly critical against valorized conceptions of entrepreneurs. For example, there are views that attribute pertinent conceptions to scholarly prejudices, such as unrealistically voluntaristic preconceptions on how a "normal" economic agent ought to behave (Ramoglou, 2011; Gartner, 2001).

Psychological studies show that the psychological propensities for male and female entrepreneurs are more similar than different. Perceived gender differences may be due more to gender stereotyping. There is a growing body of work that shows that entrepreneurial behavior is dependent on social and economic factors. For example, countries which have healthy and diversified labor markets or stronger safety nets show a more favorable ratio of opportunity-driven rather than necessity-driven women entrepreneurs. Empirical studies suggest that men entrepreneurs possess strong negotiating skills and consensus forming abilities.

E-entrepreneurship

Internet is perhaps the greatest revolution in science and technology that our generation can imagine. It has brought in many benefits to the society- cultural, economical and political. It is in the interest of the society that the benefits which the Internet technology promises should be harnessed to the betterment of the society.

One of the most important aspects of Internet is its ability to connect people through the communication network irrespective of their physical location. The benefit flowing out of this is the ability to bring about a collaboration of people for a common task without physically bringing them together into an office. Virtual offices are therefore a reality of the day.

Entrepreneurship vs e-Entrepreneurship

An entrepreneurship consist on the process of creating something new and assuming the risks and rewards, e-Entrepreneurship will consist on creating owner business activity on internet in some area characterized in to sell or able a service something only online, such as email service DVDs, including rental and Books, Computers, T-shirts, Cell phones, Magazine subscription, Software, etc. e-Entrepreneurship in US: As example of e-entrepreneurship in US we have, for example as cases, Google.com, eBay.com, yahoo.com, amazon.com, etc. e-bay and Google.

Current and Future

Trends in Entrepreneurship In this Virtual work environment, any individual with a Computer connected to the Internet can be part of a global office as if he is sitting along with his colleagues in the office. This can be called the concept of "Virtual Employment". Virtual employees can use their skills such as "Web Designing", "Editing", "Teaching" and many other faculties for and on behalf of a Virtual Employer. Similarly, a single Computer owner can interact with the whole world of Consumers and do business with them. This has given a boost to the concept of "Netpreneurship".

Netpreneur-the Building Block of a Digital Society

"Netpreneurship" is the ability to run a business on the Internet. It requires just the "Connectivity". A Netpreneur, as long as he has a service which the market requires can set up a viable business with his "Intellectual Capital" as the main input and the "Connectivity Infrastructure" as the only physical input. A

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Netpreneur can be a self employed individual or one who predominantly employs several virtual employees.

Those Netpreneurs who can afford their own computer and connect to the Internet and carry on business can be called the Self Employed Netpreneurs (SENs). Those Netpreneurs who have more resources and engage "Employees" either for physical world services such as marketing, order fulfillment etc but carry on the main business activities on the Virtual Environment, are the Small and Home Office (SOHO) establishments. For convenience of definition, it may be necessary to define the scope of such establishments.

Any Computer network of less than 5 Computers as a SOHO Computer network. Extending the same definition, any business with 5 or less number of physical employees can be defined as SOHOs. Larger establishments including Call centers and Medical Transcription unit's etc fall into the category of IT enabled Service Establishments beyond the limited scope of SOHOs. These bigger units have strength of their own and are outside the scope of present discussion. An enterprise cannot go smaller than one single individual namely the "Entrepreneur". In this sense, the "Netpreneur" is like the smallest building block in the "Business Network". He is like the "Atom" which is the building block of the physical world. His intellectual ability is the nucleus and the Electrons are the elements of connectivity. Bigger the atomic weight, more is the energy potential of the unit.

The Netpreneur is a premium member in the Community. He provides service to the community including employment. To the extent he provides services outside the community, he adds wealth to the community by his Export activity. He is a person therefore who needs to be encouraged by the Community for its own benefit. More the Netpreneurs in the society, better it is for the community. Just as Atoms add up to molecules and molecules add up to elements with various properties. Netpreneurs add up to build other higher value added economic units in the society either opining hands with other similar Netpreneurs or with other Brick and Mortar entities. Prosperity springs when an environment is created where such Netpreneurs flourish, enter into mutually beneficial partnerships and enjoy the benefits of a connected society.

Soho Service Providers

While a typical Self Employed Netpreneur possesses his own minimum infrastructure of a Computer connected to the Internet, at the micro level, a Netpreneur can also run his business from a "Cyber Cafe" with shared facilities. It is in this sense that the "Cyber Cafes" are actually "Business Enablers" and have a great role to play as "E-Bridge Centers" in an economy short of Money Capital. The Cyber Cafes as well as Service Integrators (eg: Soho Network India) who collate the services of the Netpreneurs fall into a separate layer of second level business units who are service providers to the Virtual Employees, Netpreneurs and SOHO players. Because of this direct relationship, these SOHO Service providers also belong to the industry surrounding Netpreneurship. In a society like India starved of Money Capital but rich in Intellectual Capital, it is necessary for the benefit of the society to harness the individual Netpreneurship through aggregation. Such an aggregated entity will have economies of scale besides the strength of diverse recourses. The society therefore needs to nurture the SOHO industry in whatever manner necessary. Taking the example of the recent controversy surrounding Sohonet India, a company which is specializing in distributing work for SOHOs, it is evident that if the SOHO industry has to blossom, there has to be a mechanism by which the energies in the industry are properly channelized. Without implying anything to the case of Sohonet India in which Naavi.com is working for an amicable resolution of conflict, it is evident that there could be business entities who may utilize the opportunity available for remote business development to their advantage and deliberately exploit Virtual Employees and even cheat the public. There is also a possibility that a business well conceived and run with passion and good faith may fail for many reasons beyond the control of the entrepreneur. In such cases, all the affected persons would prima-facie feel that they have been cheated while they may actually be victims of circumstances. This feeling of "having been cheated" gets accentuated when in the face of initial business setbacks the good entrepreneur tries to mend things without taking others in to confidence and keeps on increasing the risks in the hope that it would pay off in the end.

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Somewhere his calculations go wrong and then with hindsight every outsider will come to the conclusion that the entrepreneur even after losing hope of reviving the business kept on giving false promises and therefore cheated the public. Many such good intentioned businesses suffer because of the illogical actions of Bankers or Venture capitalists who desert the project midstream and create a crisis. Ultimately the entrepreneurs of such ventures are lost to the society and those from public who invested in such companies lose their investments. On both accounts, it is the society that suffers.

This experience is not new in India and we have seen NBFCs, Teak Companies and Capital market dependent Corporates suffering due to this syndrome of "Mid Stream Desertion by Capital Suppliers". In certain cases, the regulatory system meant to protect the public are themselves causes of such downfalls. The role of RBI in NBFC regulation and SEBI in Primary Capital market regulation is examples of such "Industry Down Trend Due to Regulation". Even in the Cyber Law area, it is highlighting how aggressive pursuance of Intellectual Property rights has been harmful to the Cyber Society.

Suggestions to Improve this System

o Every State should recognize that Internet based business networking is a good business model having a potential to harness the individual Computer based skills of the members of the society and provide an "Employment Opportunity" to many of them. In order to ensure that the industry is not spoiled by a few scamsters, there is a need for some kind of regulation which is skewed more towards "Voluntary Compliance" rather than being "Restrictive".

It is therefore suggested that at every State Government level, the Department of Labour and Employment should create a "Netpreneurship Cell" or "e-Entrepreneurship Development Cell", (EEDC) which would work as an apex monitoring body of the scheme for development of Netpreneurship for public good. (If the State Government so decides, it can be under the IT department or Small Industry department or even a separate department for E-Governance such as the one created by the Karnataka Government.)

This EEDC will provide a voluntary "Registration Facility" for different categories of people who would like to participate in the IT based SOHO industry. The categories would be, Virtual Employment Seekers (VES) Self Employed Netpreneurs (SENs) SOHO business units (Units with less than 5 work units engaged in any IT related business). Small Cyber Cafes may also fall in this category.

SOHO Service Providers who use the VES/SENs in aggregation. (Large Cyber Cafes will also fall under this category).

The Cell should develop "Good Business Practices" for each of these stakeholders in the industry for voluntary compliance (on the lines of what has been suggested for Cyber Cafes working as E-Bridge Centers).

Provisional Registration should be open to any stake holder who subjects himself voluntarily to the suggested norms. Provisional Registration should be converted into "Accreditation" after some checks and inspections that may be prescribed on a periodical basis.

Similar Netpreneurship Cells developed in different States should form a "Federation" and exchange their experiences. The Government can look at passing on any IT related business to this network on a priority basis to support such a voluntary work force of self employed Netpreneurs. These "Accredited Netpreneurs" will be the building blocks of the era of IT Based Home enterprise in the Country. This project of building such a network should be an E-Governance Project for the Department of Labour and Employment in each State.

CONCLUSION

Every business in this world is born out of Entrepreneurship. Entrepreneurship has been the sprouting ground for various discoveries, inventions, innovations, products and processes. Netpreneurs add up to build other higher value added economic units in the society either joining hands with other similar Netpreneurs or with other Brick and Mortar entities. Prosperity springs when an environment is created where such Netpreneurs flourish, enter into mutually beneficial partnerships and enjoy the benefits of a connected society. It will be first of its kind in the world aimed at organized development of the real benefits that the Internet offers as a business opportunity for the community.

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