# Understanding Entrepreneurship

## Introduction

The drive to personal development and the need to increase per capita income of the country has enabled different states to prioritize on the different ways they can empower their citizens to develop alternative income generation methods. Entrepreneurship is among the various income generating techniques that are characterized by self-drive and personal motivation. Following the global economic crisis that has been experienced in different parts of the world of over the last decade, the role of entrepreneurship has become vital in creating a competitive platform for innovation and creativity in business. These empowerment initiatives have enabled various countries including the United States to build a robust economic sector that generated billions of dollars in the national revenue. Additionally, more than 635,000 small businesses are created annually, therefore, increasing the job opportunities produced around the world (Sahut and Peris-Ortiz, 2014 p. 665).

Notably, in developing a successful business, capitalism techniques should be adopted. Entrepreneurial capitalism involves the investment of private capital in personal startups with the potential of viable harvest. The concept of entrepreneurship has been developed in different parts of the world and has enabled numerous individuals to change the state of the global economy. As such, this study aims at investigating the distinct concepts of entrepreneurship and how they can be developed. Particularly, the research will evaluate some of the successful businesspersons in the world and the methods they applied in promoting the growth of their companies.

The main objective of developing such firms is to make a profit and Most of the entrepreneurial opportunities exist because of the development of alternative ideas that offer various methods of using resources or processing of the already existing concepts. Consequently, the theory of the entrepreneur stresses on the heterogeneity of the principles about the worth of the resources and how they can be applied. According to Osawa, (2014) the entrepreneurial function can be intellectualized through the finding of opportunities and the formation of viable economic activities that promises good returns and growth, and salespersons. Moreover, they are good at getting solutions to different challenges that may be affecting the business and developing techniques to avoid the risk. Jack Ma Yun is among the most successful businessmen who have developed their firms from small and medium-sized enterprises to one of the most competitive companies in the online selling platforms.

## Jack Ma and his Entrepreneurial Traits

 Born in Hangzhou China on September 10th 1964, Jack Ma had a difficult time achieving a good education and establishing his first business venture. The businessman at business man started his English study at the age of six and would travel an average of 70 kilometers daily to attend his lessons. His urge to learn different aspects of life including English language later enabled him to have pen pals in different countries around the globe (Osawa, 2014). Ma also had difficulties in getting his college education as he had to do the entry exams four times to get admitted at the Hangzhou teaches college. He graduated in 1988 with a BA in English that enabled him to have an easy time communicating with foreigners who visited China. Notably, while in school, Jack was the head of the student council and after his graduation, he becomes a lecturer of international and English at the Hangzhou Dianzi University. According to Sahut and Peris-Ortiz, (2014 p. 665) Jack applied to 30 different jobs in his country and got rejected by all of them. Notably, in 1990, he found out the existence of the internet and saw great potential in the development of the technology. This prompted him to frequently visit the United States, and in 1995, he went to the country to learn more about the potential of the internet (Yu, 2018 p.7115).

## Risk Taking

 After working as a translator, Ma looked at different products including beer that were sold over the internet. Unbelievably, none of the products originated from China; a country with over one billion people. The entrepreneur saw an opportunity to enable the small and medium-sized companies in China to link with other businesses around the globe and increase the competitiveness of Chinese companies in the global markets. Together with his friends, Jack developed decided to take the risk and to develop a site called the Chinapage that would solemnly sale Chinese products (Stephan, Hart and Drews, 2015). On starting operation, Ma received numerous messages from people from different parts of the globe requesting if they could partner up to increase the potential of the business. The experienced experience taught the entrepreneur the power of connectivity and how the internet could be used to market products in different markets. With the belief that the company would get better funding from the government, Ma partnered with the institution. Unfortunately, the entity brought in tight rules that limited the sale of the organization and clouded the growth vision of the company and eventually led to its collapse.

## Innovativeness

 Later in 1999, Jack Ma with his innovative trait managed to raise $20,000 that was focused on the internet and how it can be used (Romagnoli and Garbelli, 2017 p.488). With the raised capital, he established a company that was aimed at creating websites for his clients depending on their desired designs and nature of the business. Although this type of business was relatively new, the entrepreneur managed to raise $800,000 in 3 years (Osawa, 2014). His achievements in the different aspects of the internet led to his appointment as the head of the firm governed by the China international electric commerce center in 1998. He later resigned 1999 and founded the company named Alibaba together with some of his friends. The objective of the company was to create websites that would promote the buying and selling of different products to potential customers and advertise the range of products that they have.

## Networking

Through his networking abilities, the established company later received a backing of $25 million that helped in the establishment and purchasing of different resources that would be used by the firm. With the availability of enough capital and skilled employees, Ma expanded his operations to 240 different counties including the United States, Spain, and Germany (Thurik and Wennekers, 2004 p.145). The company is now one of the leading films in online marketing and selling of products all over the globe. With his ambition to try different ventures using the internet, Jack decided to venture into e-business that he expected to have a great growth potential in the 21st century. As such he also established other companies including Taobao, lynx, and Alimama.

## Need For Financial Independence

 His need for financial independence and his high level of confidence led to the development of different companies. The first company, Taobao started internet trading as one of the most competitive platforms and even got the attention of eBay which was the market leader at the time. eBay later wanted to acquire the firm, but Ma was not interested but instead preferred to increase the operations of the enterprise (Yu, 2014). Additionally, Yahoo also developed an interest in the newly established company and even invested $1 billion in helping in increasing the organization's inventory and expansion of the operations (Yue and Koene, 2016). However, the entrepreneur becomes the subject of critics later in 2007 after numerous people cited that the company was making a lot of income from the sale of animal products through its portal (Osawa, 2014). To keep his business competitive and to adhere to the principles of business ethics, Jack decided not to refrain from the sale of animal products especially those made from shark flesh.

## Confidence

 In 2000, the different companies established by Jack Ma, especially Alibaba, experienced various challenges as a result of over-expansion and increase in operations. (Sahut and Peris-Ortiz, 2014 p. 667) this experienced enabled the business sectors to see the problem solving skills of the entrepreneur. As a result, the entrepreneur reorganized the structure of the company including the closure of some of the branches and only focusing on the activities of Alibaba in the Chinese market. After stabilizing in the local market, Jack reengaged his operations in the international platform (Thurik and Wennekers, 2004 p.145). Consequently, the expansion led to the acquisition of other smaller online trading companies that were valued at $2.5 billion.

## Determination

His determination and persistence in business was portrayed later in 2014 when the business adopted a new strategy. Notably, in 2014 Alibaba was engaged in initial public offering that was depicted as one of the largest capital raised around the globe from such an initiative. The company managed to raise over $20 billion in listing the company on the New York security exchange (NYSE). The move made the company one of the organizations outside the United States to be measured in the US markets (Romagnoli and Garbelli, 2017 p. 442). With the need to expand the business, the entrepreneur and his friends are turning Alibaba holding group into a conglomerate through the acquisition of other smaller companies that are technology related and engage in logistics. Through his hard work and continued innovation and investment in different opportunities, Jack Ma has attained numerous wards the best businessman of the year in China in 2004, 2009 CCTV economic person of the year and the business leader of the year and in 2015 he was named the entrepreneur the year during the Asian wards (Yu, 2014).

## Entrepreneurship Theory and Assessment

In assessing the different aspects of entrepreneurs, several concepts can be depicted. First, entrepreneurship involves the identification of available opportunities and mobilizing of the resource with the aim of making a profit (Global Entrepreneurship Monitor, 2017 p. 42). To be successful, this class of people needs to be task-oriented, restless and energetic, self-confident, persistent, determined and forward-looking. Other factors that promote entrepreneurship include personal characters traits, cultural factors, and situational influences. Psychological factors that may trigger the start of business include the need for independence, recognition, personal development and accumulation of wealth (Yue and Koene, 2016).

Starting with nothing can be a challenging task for any individual aiming to be great and prosperous in any business. Any entrepreneur has to develop a plan that organizes the numerous resources necessary for driving the market. Additionally, the owner of the firm has to establish a mechanism for management and to assume all the risks that face the venture. Practically, entrepreneurship includes incorporates several sub-disciplines that include small businesses, lifestyle ventures, professional, social, corporate and serial entrepreneur (Global Entrepreneurship Monitor, 2017 p. 25).

The main objective of developing such firms is to make profit and to promote personal growth which can only be achieved through the employment of strategic management practices. Notably, the entrepreneurial function involves the discovery, assessment, and exploitation of the available opportunities that may include the creation of a new product, service or a different method of production (Tsui, Zhang, & Chen, 2017 p. 215). Moreover, others engage in promotion of new strategies and the exploration of various markets that can help them become more competitive in the industry.

 Most of the entrepreneurial opportunities exist because of the development of alternative ideas that offer various methods of using resources or processing of the already existing concepts. Consequently, the theory of the entrepreneur focuses on the heterogeneity of the beliefs about the value of the resources and how they can be applied. According to Osawa, (2014) the entrepreneurial function can be conceptualized through the discovery of opportunities and the creation of viable economic activities that promises good returns and growth.

 Understanding of entrepreneurship demands to victual the different concepts that are applied in the creation of businesses. This means a person has to scan the environment and identify opportunities, identify the resources required and the management method to be adopted by the company (Tsui, Zhang, & Chen, 2017 p. 220). Most of the successful entrepreneurs around the world started as small businesses and gradually developed into business empires. Notably, entrepreneurship does not depend on specified personal traits but rather depends on the management and scanning method used by the business person in ensuring its success (Global Entrepreneurship Monitor, 2017 p. 27). There exist different types of entrepreneurs including achievers, managers, inventors and salespersons. The achievers are always willing to work hard to achieve their objectives through proper planning and making sure things happen according to their plans. Additionally, they identify the best method to employ in case of any crisis and how they can reduce the already existing challenges in the enterprise. Further, most of the achievers focus on small businesses that are easy to operate due to the limited amount of resources and employees.

Managers, on the other hand, are entrepreneurs who are decisive, competitive and feel comfortable being in charge. Also, they are good at sales and interaction with potential customers since they use logic and persuasion in achieving their goals. Managers are good at identifying opportunities at a more significant scale that may require the employment of vast amount of capital (Stephan, Hart and Drews, 2015). Lastly, inventors are drawn to new ideas of doing business and will always find a way of doing business. In essence, most of the inventors are idealistic and always get carried away with their enthusiasm (Yu, 2018, p.7127). Also, they are good at getting solutions to different challenges that may be affecting the business and developing techniques to avoid the risk.

## Joseph Schumpeter’s Innovation Theory

The theory was developed in 1949 by Joseph Schumpeter and stated that a successful entrepreneur has three major characteristics that include innovation, creativity, and foresight. Further, he argued that anybody seeking profit must be able to innovate and therefore cause a different method in the employment of the existing economic systems. In addition, Joseph believed that innovation is considered as one of the essential drivers of economic dynamics and competitiveness. He also describes innovation as a process of industrial mutation that revolutionizes the financial structure. Notably, entrepreneurship takes place when the person can create new products; introduce a better method of developing the product, identification of a new market, finding the alternative source of raw materials and discovering different processing method. However, the theory ignores the risk-taking ability of the entrepreneur as well as the organization skills that are important in the innovation process. Therefore the argument often applied to large-scale businesses than small-scale enterprises.

The different types of entrepreneurs give a general view of the variant nature of the ground and the methods of identifying a good businessman. Around the world, various entrepreneurs have over the years transformed the different methods employed in carrying out business activities (Tsui, Zhang, & Chen, 2017 p. 211). The entrepreneurs adopt unique strategies based on their ideas and ensure that only the best approach is applied. Jack Ma Yun is among the most successful businessmen who have developed their firms from small and medium-size enterprises to one of the most competitive companies in the online selling platforms.

## Conclusion

The development of a successful business depends on different factors including innovation, creativity and management abilities. Jack Ma presents an excellent example of heroes in the business world that value differentiation of commercial methods and implementation of various unique ways of conducting profitable operations. An entrepreneur has to be aggressive and create a network that enables them to identify any opportunities available in the society and the best method to use in designing the operation plan. As such, the management capabilities of an entrepreneur should be evaluated by the ability of the person to create different methods of mobilizing and employing available resources based on the present idea.

## References

Global Entrepreneurship Monitor (2017). *Women’s Entrepreneurship 2016/2017 Report*. Global Entrepreneurship Research Association, pp.12-50.

Osawa, J., (2014). Alibaba Tackles Amazon, eBay on Home Turf. *Wall Street Journal*, *11*.

Romagnoli, D. and Garbelli, M.E., (2017). Why Promoting Online in a Global Electronic Marketplace Is a Successful Strategy for Small and Medium Sized Enterprises: The Alibaba Group Holding Business Model. In *Country Experiences in Economic Development, Management and Entrepreneurship: Proceedings of the 17th Eurasia Business and Economics Society Conference* (pp. 423-442). Springer International Publishing.

Sahut, J.M. and Peris-Ortiz, M., 2014. Small business, innovation, and entrepreneurship. *Small Business Economics*, *42*(4), pp.663-668.

Stephan, U., Hart, M. and Drews, C. (2015). Understanding Motivations for Entrepreneurship. *A Review of Recent Research Evidence*, [online] 1(1). Available at: https://www.enterpriseresearch.ac.uk/wp-content/uploads/2015/02/Understanding-Motivations-for-Entrepreneurship-Rapid-evidence-assessment-paper..pd [Accessed 19 Oct. 2017].

Thurik, R. and Wennekers, S. (2004). Entrepreneurship, small businesses and economic growth. *Journal of Small Business and Enterprise Development*, 11, pp.140-149.

 Tsui, A. S., Zhang, Y., & Chen, X. P. (2017). Its Corporate Cultural Value System Is the Lifeline of Alibaba. In *Leadership of Chinese Private Enterprises* (pp. 201-222). Palgrave Macmillan UK.

Yue, T. and Koene, B., 2016. Alibaba's Growth Frenzy: Expanding by Acquiring.

Yu, L., (2014). Jack Ma of Alibaba Became the Richest in China. *China's Foreign Trade*.

Yu, L., (2018). Short History of Social Networking and Its Far-Reaching Impact. In *Encyclopedia of Information Science and Technology, Fourth Edition* (pp. 7116-7125). IGI Global.