

What Makes a Successful Entrepreneur

Che Mohd Zulkifli Che Omar

Faculty of Management and Economic, Sultan Idris Education University, Tanjong Malim, Perak, Malaysia

How to cite this paper: Che Mohd Zulkifli Che Omar "What Makes a Successful Entrepreneur" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-3 | Issue-4, June 2019, pp.1365-1368, URL: <https://www.ijtsrd.com/papers/ijtsrd25154.pdf>



IJTSRD25154

Copyright © 2019 by author(s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



Entrepreneur assume an imperative part in getting monetary changes and progressions to a nation's economy. They play a key role in any economy and have the skills and initiative to anticipate current and future needs and bring good new ideas to market. No doubt, entrepreneurs have contributed significantly to economy, society as well as human kind. Specifically, job creation has been regarded as one of major contributions of entrepreneurs. Entrepreneurs have strong insights as regards to the opportunities that exist within the market and the threats that come as a result of the very same.

An entrepreneur also generates new business ideas thorough market research and reinvents an older idea. Market research is a continuous process that involves going around to the potential market area and identifying businesses in existence. Additionally, market research includes the use of target group that offer data in a format that is structured. These approaches help an entrepreneur to get ideal knowledge of the market area that he or she is involved. An entrepreneur is can also choose to reinvent an old idea and add value to it thus, making it a very successful business venture. A person through free association as well as brainstorming can help create new ideas and venture into it.

In different societies, the entrepreneurs are viewed as the key components of a social order. Entrepreneur manage and run an organization as well as manage the different undertakings of the enterprise. This enterprise could be a

ABSTRACT

Entrepreneurs are one of the reason for countries economic growth. They have brought a massive positive contributions to the nation's financial development and social advancement. Entrepreneurs play an important role in bringing in economic changes and advancements to a country's economy. Among the contributions are such as innovation and job creation. As entrepreneurship is synonymous with self-employed, it is believed to be an effective procedure in dealing with the issue of employability, especially among the young people. In the dynamic society, the entrepreneurs predict the future and smell the undesirable consequences well in advance and at the same time they identify the business opportunities. The first step for a successful entrepreneur is to predict the future with all accuracy. The purpose of present study is to find out what exactly makes a successful entrepreneur.

Keywords: *entrepreneurs, financial development, social advancement, employability*

1. INTRODUCTION

An entrepreneur is an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. Entrepreneurs are not always a born genius. Through systematic and rigorous training, entrepreneurs can be made (Kaushal Mukherjee, 2016). The entrepreneur is generally seen as an innovator, a source of new ideas, goods, services and business. Innovation often comes with a heavy price tag (Shaker A. Zahra and Mike Wright, 2016).

business which is normally associated with peculiar initiatives and foreseeable risks. An entrepreneur is also an employer of productive work or in other words of labor. He is also the contractor who deals with or initiates the process of entrepreneurship. The entrepreneur is the person who is responsible for running the system which is in place in a normal process.

The entrepreneur is the risk bearer and an organizer within the business enterprise. More than anything else, an entrepreneur is a leader by sheer definition. An entrepreneur wants to achieve high since his ambitions are always at the top. He is a person who believes in dedication and hard work. They should estimate risks of their actions before take them, evaluate advantages and disadvantages of risk taking in all stages of entrepreneurship (Ahu Tugba Karabulut, 2016). Previous research indicates that entrepreneurs are somewhat more inclined to take risks than managers, this difference is stressed even more when the entrepreneur has the goal of a significant venture growth (Zahra Arasti, Fahimeh Zandi and Neda Bahmani, 2014).

1.1. Psychology of the Entrepreneur

Nowadays risks are being shared and there are primarily three kinds of psychological qualities of the entrepreneurs. Outcome of previous experience such as bad incident or discontent in previous employment can occurred disability in entrepreneurship. Personal characteristics of entrepreneur's are one should well qualified and not much young or highly aged. Motivational factors such as individual

and environmental factors are the important elements that influence entrepreneurs to excel in every business that they venture. The establishment of one successful business venture attracts and motivates entrepreneurs to develop and run similar business (Kaushal Mukherjee, 2016). Entrepreneurs however they are trained and experienced cannot become successful in their business ventures, unless they trust upon the skilled labor force.

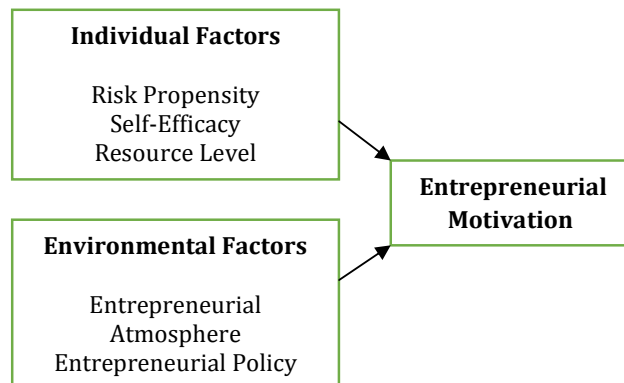


Figure 1: Entrepreneurial Motivation Model

1.1.1. Entrepreneurial Alertness

Entrepreneurial alertness is known as the capability to notice business opportunities without searching for them. A psychological approach focusing more on behavioral and cognitive aspects helps to shed new light on entrepreneurial alertness. With regard to behavioral aspects, conceptualized entrepreneurial alertness as searching for information related to business opportunities, and there is a significant differences between entrepreneurs and managers with respect to entrepreneurial alertness. With regard to cognitive aspects, conceptualized entrepreneurial alertness as cognitive model that make individual to think in a new and unusual ways. This will guide individual to identify innovative business opportunities. At the same time, entrepreneurial alertness causes entrepreneurs to discover and get the advantage of new opportunities. Normally they will conduct SWOT analysis for their endeavor and need to evaluate strengths and weaknesses of their organizations.

1.1.2. Entrepreneurial Networking

Entrepreneurial success is increased by better and larger scale of networks. Many successful entrepreneurs got to where they are now because of the help they got from others along the way. Networks can mean many things such as network quality, network structure and others. One of the more strong indicators of networks is network size as the number of people whom the business owners know. To create and build a sustainable and successful business, business networking is one of the effective method. Entrepreneurs, as active agents, will also develop their networks if they find the networks to be useful in their venture.

1.2. Advantages and Disadvantages of Entrepreneur

Entrepreneurship is becoming more popular these days, as many people are becoming interested in gaining freedom from their work. People are branching out into becoming entrepreneurs and self-employed instead of working for a company. As this development is rising at a fast rate, it is time to look at its advantages and disadvantages of being an entrepreneur:

1.2.1. Advantages

It gives a great amount of freedom.

If an individual is working for a boss and a company, they need to meet all their requirements and only have very little freedom on the job. On the other hand, if an individual start their own business, they will be able to make their own demands and set own schedule. Being an entrepreneur will give an individual a level of freedom that one will not see when they are employed

It can be exciting

Entrepreneurship can be very exciting, with many entrepreneurs considering their ventures highly enjoyable. Every day will be filled with new opportunities to challenge the determination, skills and abilities.

It allows them to set their own earnings

Individual will be the one setting their own wage and making investments when doing a business. The work that they do would be for something they own, which can be a huge advantage compared to when working as an employee for a certain company.

It offers flexibility

As an entrepreneur, one can able to plan their working hours including quality time they would spend with the family.

1.2.2. Disadvantages

It requires individual to dedicate a huge amount of time

One big challenge in starting a business is the amount of time one have to commit to it. Remember that entrepreneurship is not easy, and for it to be successful, an individual have to take a level of time commitment that many people are just not willing to make. And even if can enjoy flexibility in their work schedule when the venture does become successful, they will still have to dedicate a substantial amount of time to growing the business.

It can be difficult to compete with other businesses

It is very important for an entrepreneur to stay competitive. This means that they have to distinguish the business from others in their niche in order to build a solid customer base and become profitable.

It does not guarantee 100% success

Entrepreneurship would make an individual dreams come true, which does not often happen with traditional employment, but one need to make some sacrifices to make it happen.

It comes with unpredictable work schedules

One major drawback of being an entrepreneur is that more work and longer hours will be required compare with being an employee.

2. Personality Traits

A successful entrepreneur carries a good personality within themselves. Research on the personality traits of entrepreneurs unifying approaches from economics, psychology, sociology, and business management to answer the questions, who is an entrepreneur? What drives them? What traits define them? The best entrepreneurs do share a collection of characteristics, from tenacity to the ability to tolerate risk, that are important to a successful venture. The Big Five Personality Dimensions and Entrepreneurial Status

found that entrepreneurs have different personality traits than corporate managers.

Big-5 model

The Big-5 model is a multidimensional method towards describing personality, through measuring openness, conscientiousness, extraversion, agreeableness, and neuroticism. Since 1980s it has been the prime model for personality traits, and the Big-5 traits have been found to influence career choice and work performance (Sari Pekkala Kerr, William R. Kerr, and Tina Xu, 2017). The five personality traits covers a distinct set of characteristics such as:

- Openness to experience. Known as the breadth, depth, originality, and complexity of an entrepreneur's mental and experimental life. Openness is usually considered together with the ability to take risks. The ability to take risks is considered to be one of the fundamental traits of an entrepreneur (Oguzhan Irengun and Sebnem Arikboga, 2015).
- Conscientiousness. Explain about socially prescribed impulse control that facilitates task- and goal-orientated behavior of an entrepreneur.
- Extraversion. Implies an active approach toward the social and material world. It also includes traits such as sociability, activity, assertiveness, and positive emotionality within entrepreneurs.
- Agreeableness. Contrast a prosocial and communal orientation toward others with antagonism and includes traits such as altruism, tender-mindedness, trust, and modesty.
- Neuroticism. Contrasts emotional stability and even-temperedness with negative emotionality, such as feeling anxious, nervous, sad, and tense.

Locus of control

Another important traits of a successful entrepreneur is locus of control. A person with an internal locus of control believes that their own decisions control their lives, while those with an external locus of control believe the true controlling factors are chance, fate, or environmental features that they cannot influence. Many studies presented that entrepreneurs had higher locus of control than others. An entrepreneur with internal locus of control believe that they can influence outcomes through their own ability, effort, or skills, rather than external forces controlling these outcomes. It is expected that people who have internal locus of control can determine their career paths, have business intentions and start their own businesses (Ahu Tuğba Karabulut, 2016).

Need for Achievement

Need for achievement is the determination of an entrepreneur to succeed. Entrepreneurs have a tendency to select and work hard at business activities. It holds a moderate chance of success, or a great opportunity for personal achievement and satisfaction, but without the excessive risk of failure. People with high need for achievement have entrepreneurial goals. They are someone who eager for success and always carry themselves as entrepreneurs who can establish successful businesses in competitive markets. Need for Achievement known as a concept based on McClelland (1985) "acquired-needs theory" and high need for achievement foresees entry into entrepreneurship, although this finding is sometimes challenged in specific contexts.

Risk Tolerance

Taking calculated risk is another way of being a successful entrepreneur. Risk taking can lead both success and failure. Thus, entrepreneurs should calculate risks of their action before they take them. At the same time, they have to evaluate advantages and disadvantages of risk taking in all stages of entrepreneurship. Entrepreneurs tolerate risks more than other people because it is a major trait for them to succeed. Entrepreneurs take career, financial, family and reputation risks when they decide to establish their own ventures. People who can tolerate risks can have entrepreneurial intentions and start their own businesses. Entrepreneurs take several risks for capital, career, prestige, and family relations. A person who has entrepreneurial intention should have an optimum degree of risk orientation.

3. Entrepreneurs Challenges in Developing Business

Entrepreneurs have went through many challenges on the road to success, in particular with regard to access to finance. All entrepreneurs at some point feel overwhelmed with the responsibilities that fall on their shoulders. The common challenges faced by entrepreneurs are overestimating success, misplaced purpose, negative mindset, poor organization, employee motivation and lack of support.

The first challenge faced by every entrepreneur when starting a business from scratch is developing a business idea. Finding the right business opportunity or creatively developing an idea is surely not an easy task. Envisioning the idea and being persistent is the important task of an entrepreneur. An entrepreneur must possess the ability to see what others cannot see. While others see problems, an entrepreneur must see opportunities. Opportunity is just the beginning. Ability of an individual to forge that opportunity into a business idea is the main challenge in business.

Capital also can be one of the challenges for entrepreneurs in their business journey. An entrepreneur is the only one who knows business idea to the core. Trying to persuade investors about something that doesn't exist is definitely a challenge. Trying to make them understand that they are trustworthy and equal to the task is not easy especially when building the first business. If the business is in big scale, more capital is needed and even getting help from financial institution have to go through many phases.

Meanwhile, finding a good business location at the right place is definitely not easy. An efficient location that has a fast growing population, good road network and other facilities at a good place. Apart from that, other challenges that an entrepreneur will face in the course of starting a business is assembling the right team. The process of structuring a business team starts even before the issue of raising initial start-up capital arises.

As an entrepreneur bound to have strengths and weaknesses. That is the more reason an entrepreneur needs a business team to cover up or compliment their weaknesses. A team is a necessity for building a successful business. It's the duty of an entrepreneur to make sure that their team sees the future as the entrepreneur see. They must believe in possibilities and must also be passionate about making that possibility a reality. If they can't grasp the vision, can't see the future with the business, then they are not worthy being in the team.

In the process of building a business, an entrepreneur will experience that there are good customers as well as bad customers. Good customers are really tough to find. A good customer will be loyal to the company and will be willing to forgive if the business make a mistake and apologize. A good customer will try to do the right thing that will benefit both himself and company mutually. Bad customers will always look for loopholes in the company's policy to exploit and make a few gains. Bad customers will always try to exploit the company's goodwill and look for ways to rip off the company. Bad customers are responsible for bad debts. Good customers build business and bad customers will always try to liquidate business.

Transformation in trends is another element an entrepreneur must consider. It is something that every individual must be ready for when starting a business. Trends have made and broken lot of businesses. Profitable businesses that have been wiped out by slight industrial transformations and trends.

4. Entrepreneurs Success

Entrepreneurial success can define in many ways. The growth of an entrepreneur is comes from the support of many individuals, which can be in the form of formal and informal support. Financial, technology, and strategic partnerships or industrial contacts are known as a formal support. Meanwhile, informal support comes from the existence of personal and community-based networks.

Success of an entrepreneur can be define through tangible elements like revenue or a firm's growth, personal wealth creation, profitability, sustainability and turnover. There are few researchers' state that some entrepreneurs would prefer to persist in business despite facing the challenges and loss due to their high determination characteristics. In this study, entrepreneurial success is defined based on the understanding of definition given by several researchers who support the notion that a successful business is a venture that has been operating for at least three years.

Success of an entrepreneur also depends on the characteristics such as being creative and good interpersonal, mental and technical skills. In addition, characteristics that add value to entrepreneurs are being goal-oriented, practical, determined, flexible, and self-confident. Knowledge gained from various sources such as training or personal experience through formal or informal education is another factor that makes a person to become a successful entrepreneur. Being knowledgeable can help an entrepreneur to be innovative and generate new ideas, which allows entrepreneurs to grab opportunities emerging from their environment.

5. Conclusion

In conclusion, entrepreneurs are one of the pillars to the development of the country and answer for many problems. They are the fundamental foundation for a great business and for the economy as a whole. It is a long process that comprises many strategies, characteristics and quality of person who wants to become a successful entrepreneur. There are many qualities and sacrifices that are absolutely necessary if one wants to become successful in any business venture. The development of entrepreneurs is like planting a seeds for a new tree.

A successful entrepreneurs are someone who can be able to set realistic and challenging goals for themselves as well for others in the organization. When they become successful, they inspire social development and the younger generations to become responsible for their duty towards the nation. A successful entrepreneur also creates the opportunities for employment and through the employment opportunities, people usually generate wealth.

Being an entrepreneur will be a constant challenge, some of which they have already considered but few they will never see coming. To be a successful entrepreneur one must have a strong sense of self confidence and a healthy view of their skills and abilities. A strong personality and focusing with the issues at hand that makes them different from others.

References

- [1] Mukherjee, K. (2016). The Psychology of the Successful Entrepreneur. *International Journal of Advanced Engineering and Management, Vol. 1, No. 1*, pp. 25-32.
- [2] A. Zahra, S. & Wright, M. (2016). Understanding the Social Role of Entrepreneurship. *Journal of Management Studies 53:4*, 610 - 629.
- [3] Arasti, Z., Zandi, F. & Bahmani, N. (2014). Business failure factors in Iranian SMEs: Do successful and unsuccessful entrepreneurs have different viewpoints?. *Journal of Global Entrepreneurship Research 2014, 4:10*, 1 - 14.
- [4] Tugba Karabulut, A. (2016). Personality Traits on Entrepreneurial Intention. *Procedia - Social and Behavioral Sciences 229*, 12 - 21.
- [5] Irengun, O. & Arikboga, S. (2015). The Effect of Personality Traits On Social Entrepreneurship Intentions: A Field Research. *Procedia - Social and Behavioral Sciences 195*, 1186 - 1195.
- [6] Pekkala Kerr, S., R. Kerr, W. & Xu, T. (2017). Personality Traits of Entrepreneurs: A Review of Recent Literature. *Working Paper 18-047*, 1 - 50.