

Anne-Marie Grossmann: Entrepreneurship

The word entrepreneur is derived from French word “entreprendre” which means “to undertake”. Quite bluntly we could say that entrepreneurs are people that actively DO something.

The Economist
(16th February 2014, Schumpeter Column):



“There are two distinctive views. The first is the popular view: entrepreneurs are people who run their own companies, the self-employed or small-business people. The second is Joseph Schumpeter’s view that entrepreneurs are innovators: people who come up with ideas and embody those ideas in high-growth companies.”

The implications for society differ according to which of these definitions is applied. Under the first definition, the typical corner shop owner would be considered an entrepreneur (“replicative entrepreneur”). But what really drives the economy are individuals who will unleash “creative destruction” – innovations which have the potential to disrupt industries and change the way we live (“innovative entrepreneurs”). In this light, innovation can lead to growth and prosperity and thereby enhance our lives.

What does it take to “build” entrepreneurs for the next generation? For simplification, we can decompose the word “DO” into an internal and an external component. The internal and active component that is needed within an entrepreneurial individual is the DRIVE to propose new ideas and proceed with these. This depends on the entrepreneurial culture, the mind-set and the education as these aspects affect how independently and creatively we think and whether we feel encouraged to dissent and take risks.

However, entrepreneurial activity also needs the OPPORTUNITY to go forward with ideas. Hence the environment plays an important role, too. Laws and regulations need to be such that motivated innovators can push forward with their ideas. There needs to

be access to a market of sufficient size in order to be able to market ideas. Finally, the existence of hubs and the access to finance will also contribute to provide opportunities for entering into business.

However, none of these opportunities alone can guarantee that entrepreneurship will flourish. The most important challenge for us, in our generation, but certainly also for the next generation, is to get up and DO something, take risks and work towards sustainable innovation within our society.