

PREFACE

Starting and operating a new business involves considerable risk and effort to overcome the inertia against creating something new. In creating and growing a new venture, the entrepreneur assumes the responsibility and risks for its development and survival and enjoys the corresponding rewards. The fact that consumers, businesspeople, and government officials are interested in entrepreneurship is evident from the increasing research on the subject, the large number of college courses and seminars on the topic, the more than two million new enterprises started each year (despite a 70 percent failure rate), the significant coverage and focus by the media, and the realization that this is an important topic for industrialized, developing, and once-controlled economies.

Who is the focus of all this attention—who is willing to accept all the risks and put forth the effort necessary to create a new venture? It may be a man or a woman, someone from an upper-class or lower-class background, a technologist or someone lacking technological sophistication, a college graduate or a high school dropout. The person may be an inventor, manager, nurse, salesperson, engineer, student, teacher, homemaker, or retiree. It may be someone who is able to juggle work, family, and civic responsibilities while meeting all the expenses involved in managing a fledgling enterprise.

To provide an understanding of this person and the process of creating and growing a new venture, this special Indian edition of *Entrepreneurship* is divided into five major parts.

Part I-*The Entrepreneurial Perspective* introduces the entrepreneur and the entrepreneurial process from both a historical and a research perspective. The role and nature of entrepreneurship as a mechanism for creating new ventures and affecting economic development are presented, along with career aspects and the future direction of entrepreneurship. The characteristics and background of entrepreneurs are discussed, as well as some methods for individual self-assessment. Following the presentation of corporate entrepreneurship, this part concludes with a discussion of strategies for generating and exploiting new entries.

Part II-*From Idea to the Opportunity* focuses on the components of creativity and innovation and all the elements in the entrepreneurial process that are a part of creating the new venture. The various sources of ideas as well as trends occurring through this decade are discussed. Specific attention is also paid to various creative problem-solving technologies, identifying domestic and international opportunities, and creating an opportunity assessment plan. The chapter concludes with a discussion of protecting the idea developed as well as other legal concerns in forming and launching the venture.

Part III-*From the Opportunity to the Business Plan* focuses on the all-important business plan. First, the overall business plan and its various aspects are presented. Then, a chapter is devoted to each of the major components of the business plan: the marketing plan, the financial plan, and the organizational plan.

Part IV-*From the Business Plan to Funding the Venture* focuses on one of the most difficult aspects of creating and establishing a new venture—raising capital. First the aspects of debt versus equity and

internal versus external funding are discussed. After a discussion of the alternative sources of capital (self, family and friends, suppliers and trade credit, government grants and programs, private placements, and commercial banks), specific attention is given to three financing mechanisms: informal risk capital, venture capital, and going public.

Part V-From Funding the Venture to Launching, Growing, and Ending the New Venture presents material related to establishing, developing, and ending the venture. Particular attention is paid to developing an entrepreneurial strategy, establishing strategies for growth, managing the new venture during growth, early operations, expansion, and accessing external resources for growth. Managerial skills that are important to the successful performance and growth of a new venture are included in this section. This part also addresses the methods for ending the venture. Specific topics examined include the commonly adopted strategies of growth such as mergers and acquisitions, franchising, joint ventures, as well as the human and financial resources needed for growth.

To explain *Entrepreneurship* as clearly as possible, each chapter begins with chapter objectives and the profiles of two entrepreneurs, one from the US and the other from India, whose careers are especially relevant to the chapter material. Numerous examples are given throughout each chapter along with important websites to assist the reader in getting greater clarity on the issues involved. Articles and ethics boxes are also included in this special Indian edition. Each chapter concludes with research tasks, class discussion questions, and selected readings for further information. The US cases are now grouped together after the last chapter in the book, as Part VI. Additional cases in the Indian context have been provided exclusively for the instructors on the companion website of the book. Also, to facilitate classroom teaching, the online companion website of the book provides a wealth of resources such as Instructor's Manual, PowerPoint Presentations, Business Plans, Test Bank and Entrepreneurship Links. For the students the website provides web quizzes, additional cases as well as Glossary. The website can be accessed at www.mhhe.com/sie-hisrich8e.

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