

Importance of Entrepreneurship

Entrepreneurism has been found to be a vital part of the economy. In this paper, I will show evidence that entrepreneurs have a positive impact on the economy. I will also list some of the more important influences and factors that help people decide to become entrepreneurs. This paper will also include some programs that can help entrepreneurs achieve success in their business venture.

In a poll conducted by the London School of Business and the Kauffman Foundation, it was found that levels of entrepreneurship account for significant differences amongst the countries surveyed. Over a two-year period, ten countries were analyzed to measure the activity of entrepreneurs and the affect they were having on the economy. These studies consisted of in-depth interviews of over 300 experts in each country and surveys of 1,000 adults in each country (Kautz). The comparison of those countries ranking high in entrepreneurial activity and those ranking low, showed large differences in growth rates. Through interviews and surveys, one-third of this difference could be traced directly back to entrepreneurs (Kautz). This evidence shows how critical entrepreneurs are to the economy.

From these studies, recommendations were made on what each country can do to enhance entrepreneurship. The number one recommendation stated, “promoting entrepreneurship and enhancing the entrepreneurial dynamic of each country should be an integral element of any government’s commitment to boosting economic well being” (Kautz). Another recommendation was, “Government policies and programs targeted significantly at the entrepreneurial sector will have a more significant, direct impact than programs simply aimed at improving the national business context” (Kautz). It was

stated that putting these recommendations into practice would have a significant and long lasting improvement to the economy.

The most important reason why entrepreneurs help the economy is due to the creation of new jobs. In contrast to the belief that most entrepreneurs are those that were out of work and unable to find a job, it has been found that 76 percent of business startups in 2003 were driven by the desire to pursue opportunities (Cornwall). This is evidence that entrepreneurship is not a hindrance on the economy. Furthermore, it has been estimated that entrepreneurs have created 34 million new jobs since 1980 (Fox). Also, 70 percent of new startups were found to already employ at least one person, and 80 percent planned to hire within the next year (Cornwall). This data is significant evidence that entrepreneurship leads to new jobs. This is a major contribution to the economy.

Another way that entrepreneurs have helped the economy is by innovation and research and development. It has been found that 2/3 of all inventions come from entrepreneurs (Fox). New inventions can improve the economy because they can provide better ways of doing tasks, and can also lead to new business that contribute to the economy. An obvious observation by this statistic is that without entrepreneurs, and without all of those inventions the world would be a much different place. Entrepreneurs have had a major impact on the well being and strength of our economy because of these inventions.

Entrepreneurism also helps the economy by creating wealth for many individuals seeking business opportunities. Although this is not the number one reason individuals pursue entrepreneur activities, it plays a major role in our economy. Both a new

business, and the wealth the owner can obtain will help boost the economy by providing new products as well as the spending power created for the entrepreneur. Without entrepreneurs, our economy would not benefit from the boost they give from added business and ideas.

To get an idea of what influences are important in starting a business, I talked to my mother-in-law, who began the business Alikat Creations. She told me that the most important influence in beginning her business was the opportunity that she saw, and the motivation to enter business for herself. The opportunity that she had was in the graphic arts field. As she worked in this industry, she came across many individuals and companies that liked her work and was interested in giving her all of their projects. Before agreeing to start her own business from this opportunity, she had to decide whether this was something she wanted to do. After pondering the question, she decided that she liked the chance of individuality and the potential for increased income. Without these influences, she never would have gone into business on her own.

My mother-in-law also stressed to me that another important influence was the strong support system she had. My mother-in-law has family that encouraged her to take advantage of the opportunity. It was this influence and the encouragement that she received that helped her get through some of her more difficult times. Also, she had a network of professionals from her previous two jobs that could provide advice and help with some of the projects she took on. My mother-in-law told me that without the support of her family and the help from previous coworkers, she probably would not have been as successful during the time she was in business for herself.

The most important factor that I uncovered in entrepreneurship was the level of perceived opportunity. This coincides with the reason why my mother-in-law began her own business. The next most important factor I found in my research was motivation. This is the same issue that my mother-in-law dealt with. If the person can't find enough motivation by the opportunity, then the business will not be pursued.

As I asked my mother-in-law about other factors for her starting her business, she mentioned to me that financing and the availability of resources were her biggest concerns. Luckily for her, the business she began did not require a lot of money and she already had the equipment that she needed. As I look into other cases, however, I have seen that many businesses fail because of cash flow and resources. This is a very important factor that an entrepreneur needs to take into consideration.

The primary program I want to focus on that is designed to help entrepreneurs is the Miller Business Innovation Center. Last semester, I was in a class where some representatives of this center came and spoke to us about their facility. This is a facility that leases out office space to entrepreneurs at a discount rate and provides them with equipment, training, and many other resources that may be needed to get a business started. Also within this center, networking, mentoring, and other activities take place amongst the entrepreneurs at the center to help grow the business. This center is also a very useful tool to entrepreneurs to help reduce risk. Legal, accounting, and marketing tools are also provided within the center to help entrepreneurs. This center is located at the Miller Campus of Salt Lake Community College in Sandy, Utah. Because of its close proximity, this is a tool that I will consider using if and when I find an opportunity to found a business upon.

Another program that I have found that interests me is FastTrac. This is a program founded by the Kauffman Foundation and began at the University of Southern California. This program is designed to train an entrepreneur with business insights, leadership skills, and can also provide networking. This program allows people to grow into entrepreneurs that will have the skills needed to begin a business.

Upon talking to my mother-in-law, and the study of cases and other readings that I have done, I can see that entrepreneurship is very important not only to the economy, but also to the individuals that decide to go into business for themselves. In this paper, I have uncovered data and studies that support entrepreneurship is important to the economy. I also want to give my perception on why entrepreneurship is an important opportunity for individuals. As was the case with my mother-in-law, entrepreneurship was the opportunity that made her happy.

Entrepreneurship is an opportunity that can provide new and interesting challenges. The new challenges can become very rewarding as you work through them, not only financially, but on a personal level as well. It is very rewarding to accomplish something that others do not, and entrepreneurship can provide this chance. This job satisfaction is important to your self-worth.

Entrepreneurism also provides a way for you to become self-sufficient. The rewards to starting a business can be great. This is an opportunity that I hope to have in the near future. If I can uncover the right opportunity, I know that happiness will come from the independence, financial rewards, and job satisfaction that will follow my entrepreneurial activity. Then I, like other entrepreneurs, can contribute to the economy and make this country a better place to live for all.

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