

# THE ROLE OF ENTREPRENEUR IN THE SUCCESS OF A BUSINESS

CARMEN GABRIELA SECARĂ

UNIVERSITY OF PITESTI, FACULTY OF ECONOMIC SCIENCES, 1 TARGU DIN VALE STREET,  
PITESTI, ROMANIA  
carmen.secara@yahoo.com

## **Abstract:**

*To start a business involves the application of the rule AIDA: A-attraction, I - interest, D - Desire, A - Action. However, by this present article, I proposed an approach of the qualities and skills of a successful entrepreneur, showing that it is not enough to desire a thing, because one must possess many other qualities. I also pointed out the errors that can destroy a business at a certain time and how they can be avoided.*

*Key words: entrepreneur, expertise, skills, entrepreneurial spirit, business.*

*JEL classification: M 13*

## **1. The importance of entrepreneur**

The entrepreneur is the factor with a decisive weight in setting up a company. The role of entrepreneurs in small and medium enterprise is important because it is the manager, or leader of that company. The survival, development and overall effectiveness depend on its competence and professionalism.

An entrepreneur is a performer of new things, bringing innovation in the business. It is also a person with rapid reactions, in the two-way meaning. Once because they start the business at a very young age, and secondly because they identify the economic opportunity quickly.

Therefore, the entrepreneur can be defined as a person who initiates or develops a business through which new activities are carried out, involving directly and intensively, in order to obtain profit.

In Western countries it is used the concept of „**entrepreneurial spirit**”, being known under the name of **entrepreneurship**.

By „entrepreneurial spirit”, we designate the capacity of some people to create certain new activities, based on an intense personal effort and commitment, undertaking multiple risks, overcoming the adversity of environment and obtaining profit.

### **1.1. Analysis of qualities required by the entrepreneurs**

In order to succeed being a good entrepreneur, it is necessary to possess certain qualities and skills. Each entrepreneur has to establish their own DATE - D - desire, A - abilities, T - temperament, A - assets.

#### **1.1.1 Personal skills of the entrepreneur**

##### **Self-knowledge**

The first stage of self-knowledge is found in the question „*What are my motivations to develop a business?*” This question has several possible answers, including:

- the taste for power;
- desire for freedom;
- desire to obtain profit.

The second stage of self-knowledge lies in the question „*Which are our own strengths and weaknesses?*” Any potential future entrepreneur must answer with maturity and

responsibility to this question, as well as to ask for the help of some honest people around him, who can perceive him differently from the way he perceives himself. This is necessary, because a well-intentioned behavior can be misinterpreted.

Table 1

<b>Own perception</b>	<b>Perception of others</b>
Confident in himself	Arrogant
Enterprising	Exploiting
Amusing	Frivolous
Ambitious	Merciless
Helpful	Controlling
Convincing	Impertinent
Competitive	Combative
Open to change	Hesitating
Profound	Obsessive
Tolerant	Indifferent
Concentrated	Narrow-minded
Encouraging	Involving
Generous	Irresponsible

Everyone should encourage feedback, to know the strengths and weaknesses that characterizes him. Without the self-knowledge, the entrepreneurs may do more psychological errors, leading to the destruction of business. Among the errors that can destroy a business, there are:

- *setting up a company in order to eliminate the unemployment;*
- *the entrepreneur does not recognize its failures;*
- *the entrepreneur has an overdeveloped secret taste;*
- *the entrepreneur is very anxious;*
- *to underestimate the strength of the couple (if any);*
- *to confuse the company with a club of friends;*
- *the entrepreneur should fear the delegation;*
- *to underestimate the importance of communication.*

In addition to self-knowledge, the entrepreneur must have the **ability to receive advice** in the sense that has to adapt continuously to changes in external environment. Curiosity, flexibility, alertness, responsiveness are qualities essential to success. These are qualities of a good animator team and negotiator. Also, any entrepreneurial success must ask and receive advice.

### 1.1.2 Professional skills of the entrepreneur

The approach of jurisdiction must be performed two-dimensional :

- **granted and assigned competence, also called official authority;**
- **proper power, also called personal authority.**

The first aspect requires the decisional freedom, the decisional right of the management permanent postholder. The second aspect aim at knowledge, skills and abilities that the occupant of a management position should have to exercise the authority which that position is invested with. This second dimension of competence must be treated in two ways:

- **professional competence** that relates to professional knowledge (scientific part), as well as professional qualities and skills (the artistic part of exercising the base profession);
- **managerial competence**, given by management knowledge (science), as well as management skills and abilities (art), both compulsory in various proportions, for any manager.

An important aspect for the success of entrepreneurial approach is the existence of strengths or specialized knowledge acquired in specific school, particularly in higher education. An entrepreneur needs an open mind, a desire for progress related to the qualities of a combatant, a great capacity of work, resistance to stress, competence both in his job, as well as in the use of management tools.

**The first step** concerns the identification of professional „savoir-faire”

If the entrepreneur does not really master that job, if it is not accustomed to practice and external environment, it should not be convinced it will succeed anyway.

„Savoir-faire” is a necessary, but not sufficient requirement, since it is a big difference between being a professional and an entreprising professional.

The entrepreneur needs to know mastering the economic, market, legal, media environment, having a sense of communication, being open and positive, as well as a multi-professional.

**The second step** concerns the identification of management „savoir-faire”, which is the science or art of being a manager.

If Henry Fayolle stated, at the beginning of last century, the skills essential to a business manager (forecasting, organization, order, coordination and control) today it should be added: ability to react, to adapt, to listen to, to delegate, etc. Such as the personal type of management varies according to each one’s personality, the entrepreneur must not turn into excesses the qualities it has and to know how to change their style in order to adapt to each situation.

A table of the strengths and potential excesses to an entrepreneurial -manager<sup>1</sup> will be presented below:

Table 2

**Strengths and excesses of entrepreneur**

<b>STRENGTHS</b>	<b>EXCESSES</b>
To be an <b>ORGANIZER</b> -to base on the organisational chart; -to respect its collaborators; - to promote independence.	To become <b>BUREAUCRATIC</b> - to establish rigid relationships; -to generate a collective non-accountability; - to isolate itself in the top of the pyramid.
To be <b>PARTICIPATIVE</b> -to create the team spirit; -to promote independence and interpersonal exchanges; -to have a natural moral ascendancy..	To become <b>PATERNALISTIC</b> -to make political alliances; - to establish an apparent democracy; - to avoid conflict at any cost.
To be <b>COURAGEOUS</b> - to create a hierarchy of skills; -to keep the ascendancy and control; - to give just, necessary and firm.	To become <b>TECHNOCRAT</b> - to establish relations of force; -to make political powers operate; - to postpone the conflict management.
To be <b>REALISTIC</b> - to establish relations of trust and mutual respect; - take joint decisions, to determine the participation of others; - to believe in self-regulation of organization and not to interfere in conflicts.	To become <b>OPPORTUNIST</b> -to establish trite relations; -to negotiate the delegation of power; -to postpone the management of conflicts..
To be <b>MAXIMALIST</b> - to pursue the objectives, to reward	To become <b>UTOPIAN</b> - to abandon the hierarchy;

<sup>1</sup> Chalvin, D. – *Autodiagnostic des styles de management*, Editions ESF, Paris, 1996

performance and efficiency; - to make each member of the team be cooperative; - to rely on conflicts in order to progress.	- leave too much freedom to its collaborators; - to live only by its own views.
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### 3. Necessary conditions for implementation of a business idea:

After the careful examination of the qualities, abilities and professional skills, as well as the existing deficiencies, the entrepreneur should take into account certain aspects so as not to be part of the statistics of those 50% of the entrepreneurs who fail in the first 5-6 years of existence of the company. Among the most common causes of failure, we can mention:

- *Lack of strategy and unclear objectives;*
- *Defective concept of service or product* - ignoring the latent needs of consumers is the cause of their non-performance;
- *Partial dissemination of information* – between the information aiming at the market and customers, on the one hand and the actual delivery of service or product, on the other hand, it is necessary a perfect adequacy;
- *A large number of links in the business of creating and launching* – the more persons are involved in the process, the longer is the performance and the control less effective.

The strategic thinking must precede the setting up of a company. Choosing of a strategy enables the initiator to determine the viability of its project. In choosing the strategy should be avoided some errors that could lead to the failure of potential business:

Table 3

#### Strategical errors to be avoided

Having a single customer	Ex.: organizing touristic circuits by a single tour-operator.
To propose only a single product or service	Ex.: to propose a single theme of touristic product.
To launch a good product or service on an inappropriate market	Ex.: a geographical, economic or social environment inadequate for the product or service.
To be launched in a sector of activity without mastering the basic job	Ex.: to believe that anyone who holds the hosting art can succeed in restoration, hospitality or tourism in general.
To want to do everything by itself	Ex.: to avoid the delegation of authority
To insufficiently research the distribution circuit	Ex.: if the ability to produce became an easy thing, knowing how to communicate and sell is increasingly, an becoming an art.
To make itself captivated by the routine	Ex.: not to be careful to the evolution of tastes and expectations of the customers.
To fail defining a strategy	Ex.: not to predict the business results on medium and long-term.
To wait for help in order to start business	Ex: the following proverb should apply: „Help yourself!”

As you can see, the necessary, but not sufficient condition is to want starting a business. In addition, you must have managing skills, be a leader, as well as professional competence.

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