**COMSATS University Islamabad, Virtual Campus**

**MGT403 Entrepreneurship**

**Lecture03 Handouts**

**Feeding the Entrepreneurial Fire**

What forces are driving this entrepreneurial trend in our economy? Which factors have led to this age of entrepreneurship? Some of the most significant ones include the following:

1. **Entrepreneurs as heroes:**

We have raised entrepreneurs to hero status and have held out their accomplishments as models to follow. Few examples of entrepreneurs are

1. Business founders such as Bill Gates (Microsoft Corporation),
2. Oprah Winfrey (Harpo Productions and OWN [the Oprah Winfrey Network]),
3. Jeff Bezos (Amazon),
4. Steve Jobs (Apple),
5. Mark Zuckerberg (Facebook)
6. **Entrepreneurial education**:

Colleges and universities have discovered that entrepreneurship is an extremely popular course of study. Disappointed with corporate downsized job offerings and less promising career paths, a rapidly growing number of students sees owning a business as their best career option. Increasingly, students enroll in college knowing that they want to start their own companies rather than considering entrepreneurship as a possibility later in life; indeed, many are starting companies while they are in college.

1. **Demographic and economic factors**:

More than 75 percent of entrepreneurs start their businesses between the ages of 20 and 44. In addition, the economic growth that spanned most of the last 25 years created a significant amount of wealth among people of this age group and many business opportunities on which they can capitalize.

1. **Shift to a service economy**:

The service sector accounts for 82.5 percent of the jobs and 79.7 percent of the private sector gross domestic product (GDP) in the United States, both of which represent a sharp rise from just a decade ago. Because of their relatively low start-up costs, service businesses have become very popular among entrepreneurs.

1. **Technology advancements**:

With the help of modern business machines such as personal computers, laptop computers, smart phones, fax machines, copiers, color printers, answering machines, and voice mail, even one person working at home can look like a big business. At one time, the high cost of such technological wizardry made it impossible for small businesses to compete with larger companies that could afford the hardware. Today, however, powerful computers, smart phones, and communication equipment are priced within the budgets of even the smallest businesses and have drastically reduced the cost of launching a business.

1. **Independent lifestyle**:

Entrepreneurship fits the way people want to live (independent and self-sustaining). People want the freedom to choose where they live, what hours they work, and what they do.

1. **The Internet, cloud computing, and mobile marketing**:

Cloud computing, Internet-based subscription or pay-per-use software services that allow business owners to use a variety of business applications, from database management and inventory control to customer relationship management and accounting, has reduced business start-up and operating costs. Fast-growing small companies can substitute cloud computing applications for networks of computers and large office spaces, which allows entrepreneurs to build their companies without incurring high overhead costs.

1. **International opportunities:**

The shift to a global economy has opened the door to tremendous business opportunities for entrepreneurs willing to reach across the globe. Many small companies that could export do not take advantage of export opportunities, often because their owners don’t know how or where to start an export initiative. Small companies that have expanded successfully into foreign markets tend to rely on the following strategies:

* Researching foreign markets thoroughly
* Focusing on a single country initially
* Utilizing government resources designed to help small companies establish an international presence
* Forging alliances with local partners.