



Entrepreneurship as a Major Driver of Wealth Creation

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Abstract: A qualitative approach was utilized for this research studying the contribution of entrepreneurship in a total of 20 countries all over the world. Entrepreneurship is a process when a person identifies business opportunities, organize their resources, undertake, and manage risk of an enterprise to start a business. Entrepreneurship can be categorized into necessity entrepreneurship and opportunity entrepreneurship. Social entrepreneurship has both functions i.e., to make profit and to solve societal problems. Entrepreneurship promotes capital formation, creates large-scale employment opportunities, promotes balanced regional development, reduces concentration of economic power, creates, and distributes wealth, increase GNP and per capita income, improve living standard, promote country's export trade, induces backward and forward linkages, facilitates development, create innovation, new business, and social change, leads to personal growth. Scalability is described as the company's ability to grow without being hindered by available resources and it's a structure when faced with increased production in both the context of business strategy and finance. There are five ways through which business can be scaled with automation: scaling financial processes, scaling customer service to improve satisfaction and service delivery, scaling lead generation in nurturing process, scaling sales processes and scaling legal operations. Entrepreneurship has a greater role in the economic development of a country. In economic development, the role of entrepreneurship varies from economy to economy depending upon industrial climate, material resources and responsiveness of the political system to the entrepreneurial function.

Keywords: Entrepreneur, Entrepreneurship, Economic Development, Scalability, Social Development, Wealth Driver

1. Introduction

Entrepreneurship is a process when a person identifies business opportunities, organize their resources, undertake, and manage risk of an enterprise to start a business [1]. Expansion in economic activities is referred to as economic growth whereas economic growth sustained over time is called economic development [2]. A person who can make profit even when the government policies are inconsistent or the economic environment is risky is called entrepreneur [3]. During the time of turbulence, entrepreneurs are considered as the pillars of the market-based economy and their work as producing jobs, value, and advantages for the consumer [4].

Entrepreneurs and innovation have a great impact on economic growth and are the area of concern for policymakers [5]. Growth from these activities occurs verily across different sectors of economy [6]. Entrepreneurship can be categorized into necessity entrepreneurship which is due

to the lack of other opportunities and opportunity entrepreneurship driven by an apparent business opportunity [7]. In necessity entrepreneurship, entrepreneurial activities signal that enough jobs or wage opportunities are not created by the economy and is connected to the lagging economic development or slow economic growth [8].

A country's level of economic development affects whether entrepreneurship will contribute to greater economic growth or not. Relationship between entrepreneurship and economy is U-shaped [9]. There is a negative relationship between economic growth and entrepreneurship in the countries that are in the early or middle stages of economic development. However, in highly developed countries, this relationship is positive [10].

With concerns over social impact, sustainability and inequality, entrepreneurs are more interested in social consequences of their economic activity [11]. Social entrepreneurship has both functions i.e., to make profit and to solve societal problems [12]. It brings social change within

entrepreneurial framework and social justice [13]. The theory of economic development given by Schumpeter (1934) states that the role of entrepreneur is the primary cause of economic development. He did an elaboration on how the innovating entrepreneur are introducing new inventions, making current products and technologies obsolete and challenging incumbent firms [14]. Scalability is described as the company's ability to grow without being hindered by available resources and it's a structure when faced with increased production in both the context of business strategy and finance [15]. There are five ways through which business can be scaled with automation: scaling financial processes, scaling customer service to improve satisfaction and service delivery [16], scaling lead generation in nurturing process, scaling sales processes and scaling legal operations. Entrepreneurship has a greater role in the economic development of a country [17].

2. Impacts of Entrepreneurship on the Economic Conditions

2.1. Promotes Capital Formation

Capital formation is promoted by entrepreneur through the mobilization of public's idle savings. Resources are being borrowed to set up an enterprise. These entrepreneurial vendors add value and create wealth which is very important for the economic and industrial development of the country [18].

2.2. Creates Large-Scale Employment Opportunities

In underdeveloped nations, unemployment is one of the everlasting problems. Immediate large-scale employment is provided by entrepreneur by setting up several units both on small- and large-scale creating job opportunities. With the passing time, the growth of these enterprises provides further employment opportunities [19]. Only 5 to 10% of the unemployed can be catered through available employment opportunities. Therefore, entrepreneurship is very important for the eradication of unemployment [20].

2.3. Promotes Balanced Regional Development

Entrepreneurs set up industries in rural and less developed areas to remove regional disparities. This growth can benefit public in many ways. They can get an access to road, transport, health, education, entertainment, etc. This development of industries and business in such areas promotes balanced regional development [21].

2.4. Reduces Concentration of Economic Power

Through industrial and business activities, the outcome of economic power can be achieved. Due to this development, usually the concentration of economic power remains in control of few individuals leading to an increase in monopolies [22]. To tackle this issue, there is a need to increase entrepreneurs so that concentration of economic power can be reduced [23].

2.5. Wealth Creation and Distribution

It leads to the equitable redistribution of income to more people and geographic areas covering major parts of the society. These activities give an additional effect and generate more activities in the economy [24].

2.6. Increasing Per Capita Income and Gross National Product

Entrepreneurs explore and exploit opportunities, utilize data sources of capital and skill, try to bring in new services and products and develop markets for the growth of the economy with an increase in GNP of the country and per capita income of people [25].

2.7. Improving Living Standard

To produce a variety of services and goods in large scale at a lower cost by adopting latest innovation by entrepreneurs so that people can get better quality of goods and their standard of living can increase [26].

2.8. Promote Country's Export Trade

Economic development and independence can be achieved through exporting the services and goods produced entrepreneurs in large-scale to earn huge amount of foreign exchange [27].

2.9. Induces Backward and Forward Linkages

Entrepreneurs establish and enterprise keeping the changing environment and technology in their mind, try to maximize profits by innovation. This induction in forward and backward linkages leads to the economic development in the country [28].

2.10. Facilitates Overall Development

Entrepreneur is a catalytic agent which increases overall development. The process of industrialization comes in mobilization once an enterprise is established. It generates a great demand for various type of units to get the maximum output of the unit [29].

(i). Creating Innovation

An entrepreneur introduces new combination of factors and new ideas. They bring innovation by introducing new techniques of producing services and goods leading to economic development [30].

(ii). Entrepreneurs Create New Business

By creating new employment opportunities, an entrepreneur produces a virtuous circle and cascading effect in the economy. This is stimulation supporting new venture leading to economic development [31].

(iii). Entrepreneurs Also Create Social Change

By offering new services and goods, an entrepreneur reduces dependency on obsolete technologies and systems leading to economic freedom, improved quality of life and greater morale [32].

(iv). Personal Growth

Workplace usually expects collaboration and creativity which leads to personal development. Exposure to entrepreneurship can bring greater independence and higher confidence among young entrepreneurs who can create solutions to problems, take greater responsibility and work in flexible schedules [33].

3. Entrepreneurship Practice New Business Ideas

Social problems can also be tackled by using disruptive and innovative ideas in facilitating personal development. Entrepreneurship is considered as a catalyst of economic development [34]. Scalability is described as the company's ability to grow without being hindered by available resources and it's a structure when faced with increased production in both the context of business strategy and finance [35, 36].

There are five ways through which business can be scaled with automation.

3.1. Scaling Financial Processes

Financial processes tick every box for whether an entrepreneur should automate something:

1. Repetitive.
2. Time-consuming.
3. Low value return.
4. Essential task.

In terms of scaling a business, everything can be automated from internal payroll processes to client invoicing and even vendor payments [37]. If finances are automated, there is no need to think about the capacity again. Furthermore, some of the finance hours can be redeployed into insight and strategic analysis. In turn this helps in the scaling of business to an even greater extent [38, 39].

3.2. Scaling Customer Service to Improve Satisfaction and Service Delivery

Customer service can be scaled by:

1. Using helpdesk software and link FAQs to help customers solve problems themselves.
2. Using Chabot software to automate responses to common queries.
3. Using self-service tools like account admin areas.

Mobile banking apps is one of the examples of scaling customer service [40]. This helped giant banks become more profitable and created the environment for new banks to enter the market and enjoy sustainable growth [41].

3.3. Scaling Lead Generation in Nurturing Process

Sourcing leads, nurturing them, and ensuring that an entrepreneur only arrange meetings with people they know who are interested in their business is challenging and intense [42]. Automating it will not only allow them to have more

leads in their pipeline but can also segment them better and develop a relationship before they meet them or even speak to them in person [43].

3.4. Scaling Sales Processes

It is wise to automate sales process as possible. Selling a digital service like software, sales process can be wholly online and self-service [44]. Depending upon the apps used, an entrepreneur can plug these into the others in their tech stack and link their sales process to contract generation [45], invoice creation and any onboarding or new customer nurturing process they follow.

3.5. Scaling Legal Operations

There are various ways in which legal operations can be scaled which are as follow:

- 1) Contract automation: by integrating contract management software with CRM platform and other tools to make a sale [46]. By automating updates and linking contracts to finance apps to help automate invoices [47].
- 2) Using standardized plug and play legal templates: that allow to populate the relevant variables quickly [48]. Depending on what integrations are being used, this might be automated too as entrepreneur can pull the data to populate their contract from their other apps [49].
- 3) Version control: is vital for ensuring legal documents are in good standing. Using software enables an entrepreneur to easily track version history [50].

4. Recommendations

It is recommended that an entrepreneur do a proper market research to make business decisions. Entrepreneur should make a business structure that would determine how their business will be operated including all the decisions made at their company. They should take the right place where they can have access to their resources and capital which can help them to scale their business. They should be confident and concise while making decisions for their profitability. An entrepreneur should build good relationships with other entrepreneurs with whom they're working on different stages of their business for guidance. They should hire people who have good technical and complementary skills and who are highly motivated. They should refrain from illegal activities and look out for the partnership that can leverage them. They should invest in branding.

5. Conclusion

Entrepreneurship has a greater role in the economic development of a country. Economic growth of the country is affected by the number and competence of entrepreneurs. Through entrepreneurship, new business ideas can be developed which can create employment facilities leading to

personal development. Social problems can also be tackled through innovative and disruptive ideas. In economic development, the role of entrepreneurship varies from economy to economy depending upon industrial climate, material resources and responsiveness of the political system to the entrepreneurial function.

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