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Event Entrepreneurship

In this chapter you will cover:

- What is entrepreneurship?
- Entrepreneurship today
- Characteristics of entrepreneurs
- Types of entrepreneurs
- The entrepreneurial process
- Starting a new event business
- Buying an existing business

The aim of the chapter is to provide an overview of entrepreneurship in the events industry. Theories of entrepreneurship will be discussed in order to identify the prime methods and techniques which would help event managers to develop the necessary skills and attitudes to deal with the challenges and at the same time take advantage of the new opportunities presented by the evolving events industry.

The events industry is a key player within the key economic sector of creative industries. The events industry mainly includes the designing, promoting, advertising and delivery of an event, but also includes a range of supporting professions and boundary industries.

Most entrepreneurs start their first venture in their own field of interest and expertise. This implies that emerging entrepreneurs with event skills (particularly event management graduates) are more likely to identify an opportunity within the events industry. Therefore, it is important that, as a prospective event entrepreneur, you should understand the full extent of the events industry and where you might find potential business opportunities.

Despite the global economic downturn and the challenges and opportunities presented by the emerging economic superpowers like India and China, the events industry in the West is still thriving, with plenty of opportunities for innovative and intuitive event entrepreneurs.

What is entrepreneurship?

The word *entrepreneur* is widely used both in everyday conversation and as a technical term in management and economics. It is a French word dating back to the 1700s and originally referred to an individual commissioned to carry out a particular commercial project by someone with money to invest. This was often an overseas trading project and carried with it risk for both the investor (who could lose money) and the entrepreneur (who could lose a great deal more). Therefore, the chance of risk with entrepreneurial activity is evident from the start.

Since then the term has evolved to mean someone who undertakes a venture, particularly starting a new business. This meaning is central to the understanding of the word entrepreneur in the English language, although the French would prefer to use *créateur d'entreprise* (creator of an enterprise). From the word entrepreneur, a number of concepts have been derived such as *entrepreneurship*, *entrepreneurial* and *entrepreneurial process*. Entrepreneurship is what an entrepreneur does. It is more of a process, a way of doing things that transforms innovation into market opportunities or competitive advantage. The entrepreneurial process is the means through which new value is created as a result of the project – the *entrepreneurial venture*. Entrepreneurial is an adjective describing how entrepreneurs undertake what they do.

Nevertheless, there are many definitions of entrepreneur found in the management and economics literature and it is certainly a task to provide a concise and unambiguous definition. Endeavours to define it have concentrated on utilising the abilities that portray the entrepreneur, using those procedures and events which are a part of entrepreneurship, and using those outcomes that entrepreneurship leads to. Most of the existing definitions are a mix of these three. For instance:

An entrepreneur is a person who identifies an opportunity or new idea and develops it into a new venture project. (Burke, 2006)

In this respect, enterprise is an outcome of entrepreneurship, i.e. the organisation created is an enterprise. However, to some people it is basically about using enterprise to create a new business, and in this respect enterprise is a means of entrepreneurship. It is important to note here that it is generally accepted that entrepreneurs are agents of change and that they provide innovative and creative ideas for enterprises to grow and make profit. They act to create and build a vision from virtually nothing, thus being enterprising.

Taking into consideration the above ideas, therefore, the event entrepreneur is the key innovative person who is managing the entrepreneurial process. This will usually involve planning, organising, promoting, directing, controlling, managing and delivering an event with the help of team members, together with handling the associated business risks.

Entrepreneurship is acknowledged as the driving force behind innovative change in society, and the events industry is no exception. Taking the definition above, an event entrepreneur can therefore be defined as someone who sets up

a new event venture. To achieve this, the event entrepreneur needs to spot new commercial opportunities and determine the needs of the customers by coordinating the resources to deliver an event.

Entrepreneurship today

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Today, with the internet boom, entrepreneurs represent one of the most dynamic forces in the economy. It is they who are driving the technology boom, which in turn is driving much of the world's economic growth. This makes entrepreneurs very important from a macro-economic perspective. Entrepreneurs, therefore, are an economic phenomenon that has a major impact on the global economy and thus as the globalism of business becomes even more widespread, this impact will be felt even more deeply. Entrepreneurs are already becoming a major force in developing nations and in the economy worldwide.

The scope of what entrepreneurship involves will continue to change and evolve, and yet there are some common issues of how to start a business, how to finance the business, how to share our business with the community and how to learn from each other. Something that is common for all entrepreneurs is the challenge of starting their own business, be it through inventing something, looking for a new idea within a business, finding the right opportunity to break into a business or buying into a franchise. This involves planning and organising all the aspects so that the goals can be achieved. All entrepreneurs are also faced with financing their entrepreneurial enterprise. Even *intrapreneurs* (those who are entrepreneurial within an existing organisation – internal entrepreneurs) usually are faced with financial hurdles within corporate rules. So unless the funding for the venture comes from your own pocket, getting money is a challenge that requires preparing funding proposals or applications to be written and/or presented for loans and venture capital. There is so much information written about these stages of an entrepreneurial venture that sorting the good from the bad is an overwhelming challenge in itself.

■ Characteristics of entrepreneurs

Integral to the concept of entrepreneurship is the ability to take action. It is this ability which sets entrepreneurs apart from others. In addition, a wide range of competences are seen as entrepreneurial and useful to entrepreneurs. These include knowledge, skills and personal traits such as those shown in Figure 3.1.

Furthermore, many pieces of research have shown that entrepreneurs are risk-takers, or more willing to engage in risky activity. That is, people with a higher risk-taking propensity are more likely to exploit entrepreneurial opportunity because risk-taking is a fundamental part of entrepreneurship. Aspects of risk-taking among entrepreneurs include investing their own money, leaving secure jobs, and the stress and time associated with starting and managing a business. Kobia and Sikalieh (2010) argue that enterprising individuals seek to realise productive opportunities and consequently function in uncertain environments.

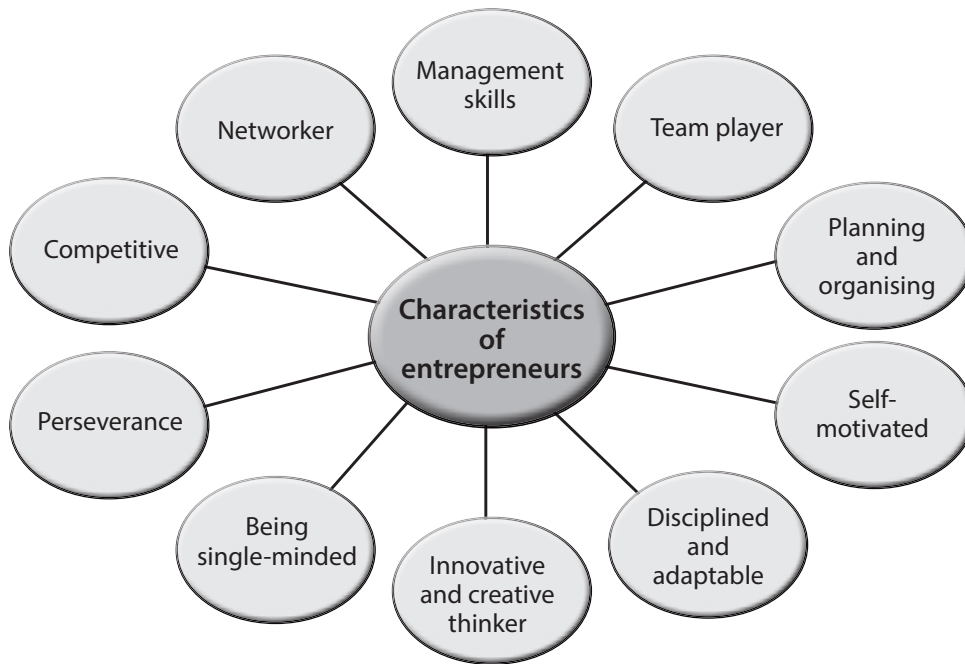


Figure 3.1: Characteristics of entrepreneurs

Types of entrepreneurs

Although potentially anyone can become an entrepreneur, it may be of interest to examine some demographics such as age, gender and race in their relative roles in entrepreneurship.

Young entrepreneurs

It is evident from several studies that entrepreneurs are most likely to be between the ages of 25 and 40 when creating a new venture. In fact, studies have also shown that entrepreneurship can emerge even among young people between the ages of 8 and 24. This is illustrated by the case study below.

Women entrepreneurs

Women's entrepreneurship has been on the rise to the point where women are opening their own businesses faster than any other segment of small business start-ups. In the United States they account for 29 per cent of all enterprises. Although a very high percentage of women-owned businesses are in the retail sector, women are now branching out into male-dominated industries such as mining, manufacturing, construction and transportation. This rise is further illustrated in the case study 3.1 below.