

I – Introduction to the Concept of Entrepreneurship

1. What is Entrepreneurship?

Historically entrepreneurship has been defined as a way of allocating resources and improving organisational processes in a creative manner aiming at reducing costs and enhancing results (José Dornelas, 2005).

The Entrepreneurial activity has tended to be associated with the creation of new businesses, generally micro and small companies.

However there are more comprehensive definitions which prove that entrepreneurship means far more than starting new firms, as revealed by the European Commission's 2003 Green Paper on Entrepreneurship:

“Entrepreneurship is above all a mental attitude that embraces the motivation and ability of a person, on his/her own or within an organisation, to identify an opportunity and make use of it with the aim of producing a particular value or economic outcome.”

Entrepreneurship should be seen as a dynamic process, which includes conception, perception and realisation of a business opportunity, assuming the joint commitment of people and processes to turn ideas into opportunities.

Two basic aspects are to be presumed:

- **Creativity** – knowledge linking and organisation, by flexible-thinking people. This will lead to the creation of innovative, unusual ideas, which will eventually be ridged as usual by others.
- **Innovation** – is the first actual, practical implementation of a creative idea. The innovation justifies an extrinsic recognition of the individual or organisation.

