A Brief History Of Entrepreneurship

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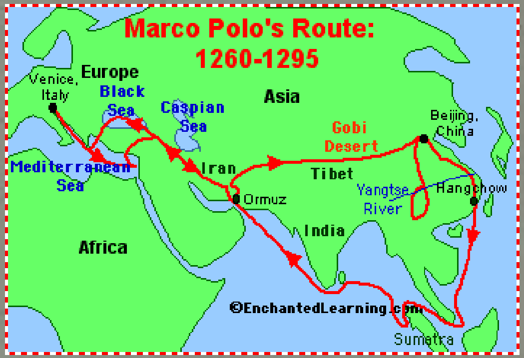
Earliest Period

- Marco polo , as a go-between was an Italian.

- He wants to trade routes to the far East.



- As a go-between, He had to sign a contract with a money person to sell his goods. In the contract merchant-adventurer took a loan at 22.5% rate including insurance .

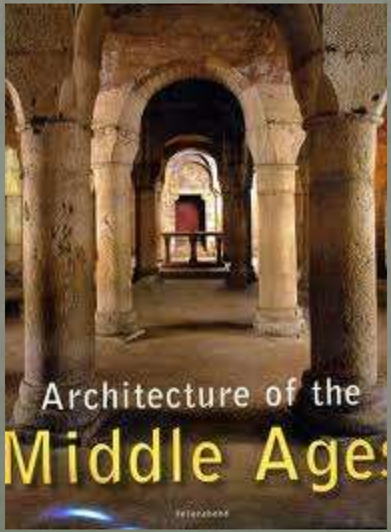
- Capitalist was the passive risk bearer and merchant-adventurer took the active role in trading, bearing all physical and emotional risks.

- When the merchant-adventurer successfully sold the goods and completed the trip, the profits were divided with the capitalist taking most of them(upto 75%), while the merchant-adventurer settled for the remaining 25 %.

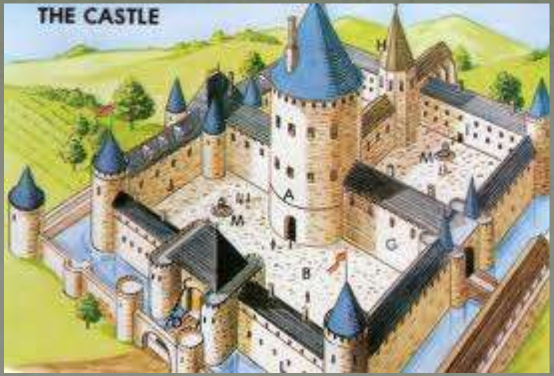
Middle Ages

- Entrepreneur used to describe both as an actor and a person who managed large production projects.

- Individuals did not take any risks because all the resources used to provided by the government of the country, all an entrepreneur should do is to manage it.



- A typical entrepreneur in the middle age was the priest.
- The person in charge of great architectural works used to build castles and fortifications, public buildings, abbeys, and cathedrals.



17th Century

- The connection of the risk with entrepreneurship developed in the 17th century.

- An entrepreneur was a person who entered into a contract with the government to perform a service or to supply stipulated products.

- John law, a frenchman was one of the entrepreneur in that period.

- The founder of the royal bank of France and the Mississippi Company,which had an exclusive franchise to trade between France and the new world.

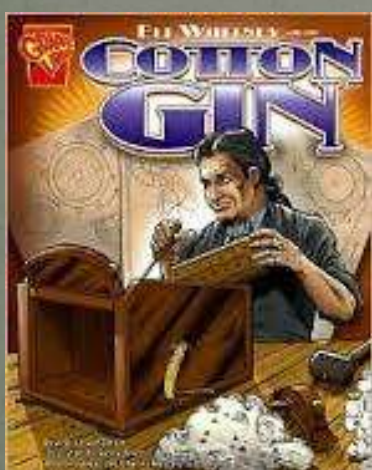
- Monopoly on french trade eventually led to collaspe of the company.

- Richard Cantillion, a well-known English economist at the beginning of the 17th century, understood Law's mistake.

- He viewed the entrepreneur as a risk taker, observing that merchants, farmers, craftsmen, and others sole proprirtors "buy at a certain price and sell at an uncertain price, therefore operating at a risk. "

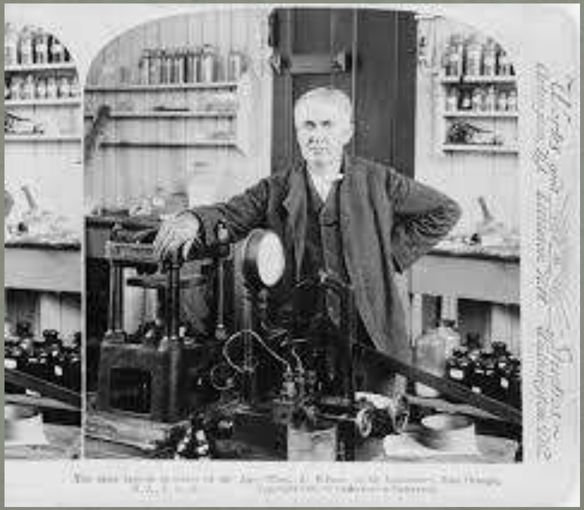
18th Century

- In the 18th century, the person with capital was differentiated from the one who needed capital.
- The entrepreneur was distinguished from the capital provider.
- One reason for this differentiation was the industrialization occuring throughout the world.



- Eli Whitney was an American inventor best known for inventing the cotton gin. This was one of the key inventions of the industrial Revolution.

- Thomas Edison, the inventor of many inventions. He was developing new technologies and was unable to finance his inventions himself.
- Edison was a capital user (an entrepreneur), not a provider (a venture capitalist).



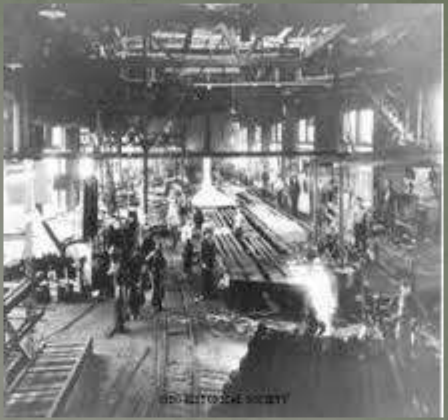
19^{th} & 20^{th} Centuries

- In the late 19^{th} and early 20^{th} centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic perspective.

- The entrepreneur organizes and manages an enterprise for peersonal gain.

- The materials consumed in the business, for the use of the land, for the services he employs, and for the capital he requires.

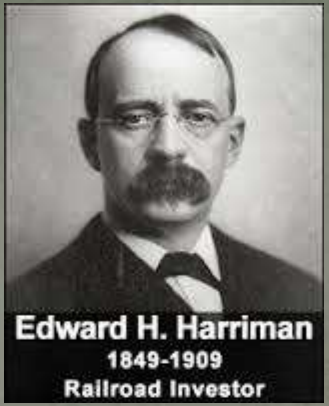
- Andrew Carnegie is one of the best examples of this definition.
- Carnegie, who descended from a poor scottish family, made the American Steel Industry one of the wonders of the industrial world.



In the middle of the 20th Century

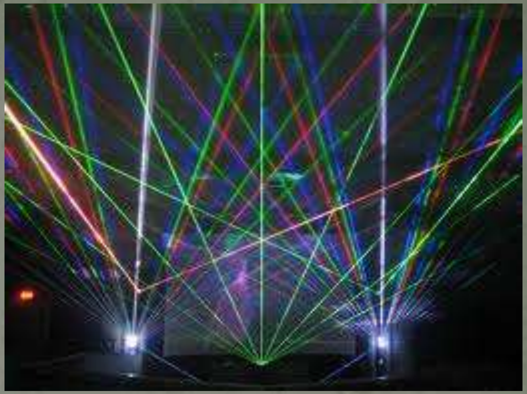
- The function of the entrepreneurs is to recreate or revolutionize the pattern of production by introducing an invention.
- Innovation, the act of introducing some new ideas, is one of the most difficult tasks for the entrepreneur.

- Edward Harriman, who reorganized the railroad in the United States.



- John Morgan, who developed his large banking house by reorganizing and financing the nation's industries.

- Traditional technologies innovations (translators, computers, lasers) that are usually associated with the word invention.



- The Egyptian who designed and built great pyramids out of stone blocks weighing many tons each, to laser beams, supersonic planes and space stations.

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