



Success, stakeholders and social responsibility

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Defining success

Entrepreneurs aim to be successful. It is the possibility of success that drives them on and success is the measure of their achievement. Success is, however, quite a difficult concept to define because it is multifaceted. Both individuals and organisations enjoy success. It may be measured by hard and fast 'numbers' but also by 'softer', qualitative criteria.

Success is something which is both visible in public and experienced at a personal level.

Success can be best understood in terms of four interacting aspects:

- the performance of the venture;
- the people who have expectations from the venture;
- the nature of those expectations; and
- actual outcomes relative to expectations.



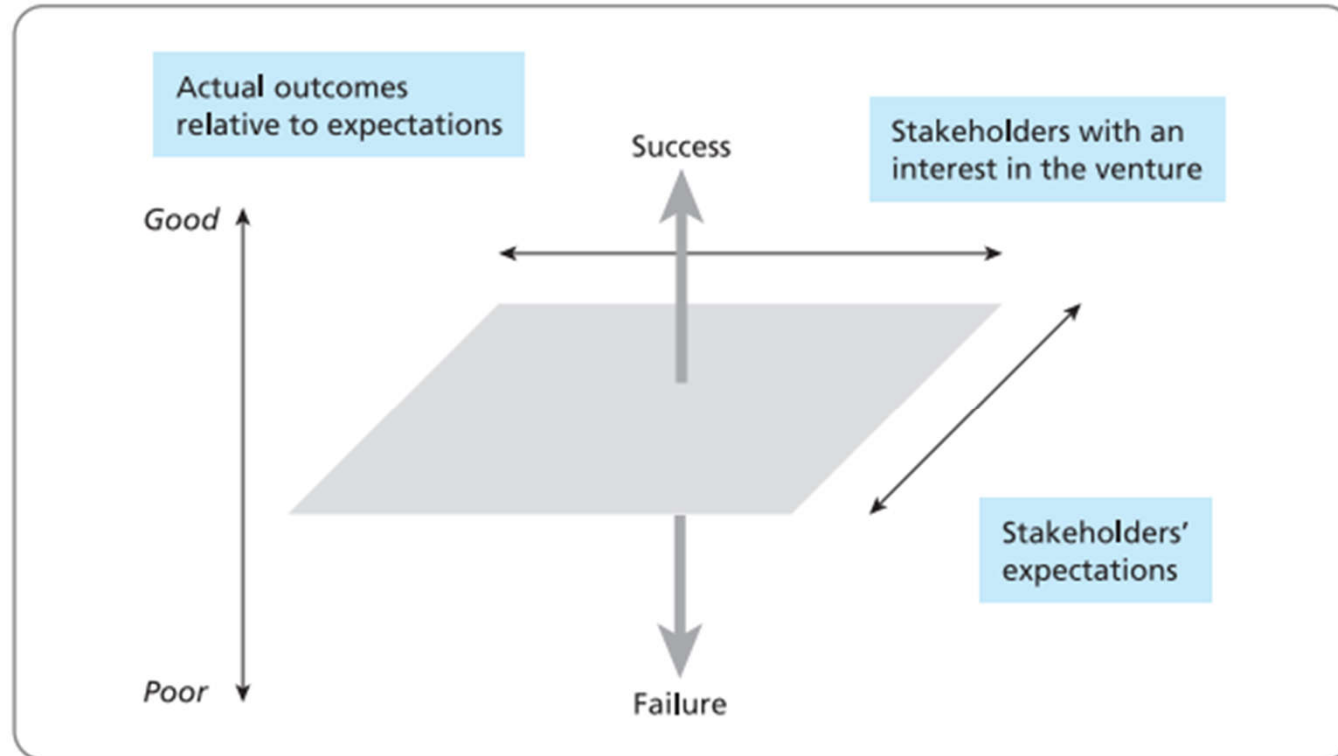


Figure 9.1 A model of entrepreneurial success

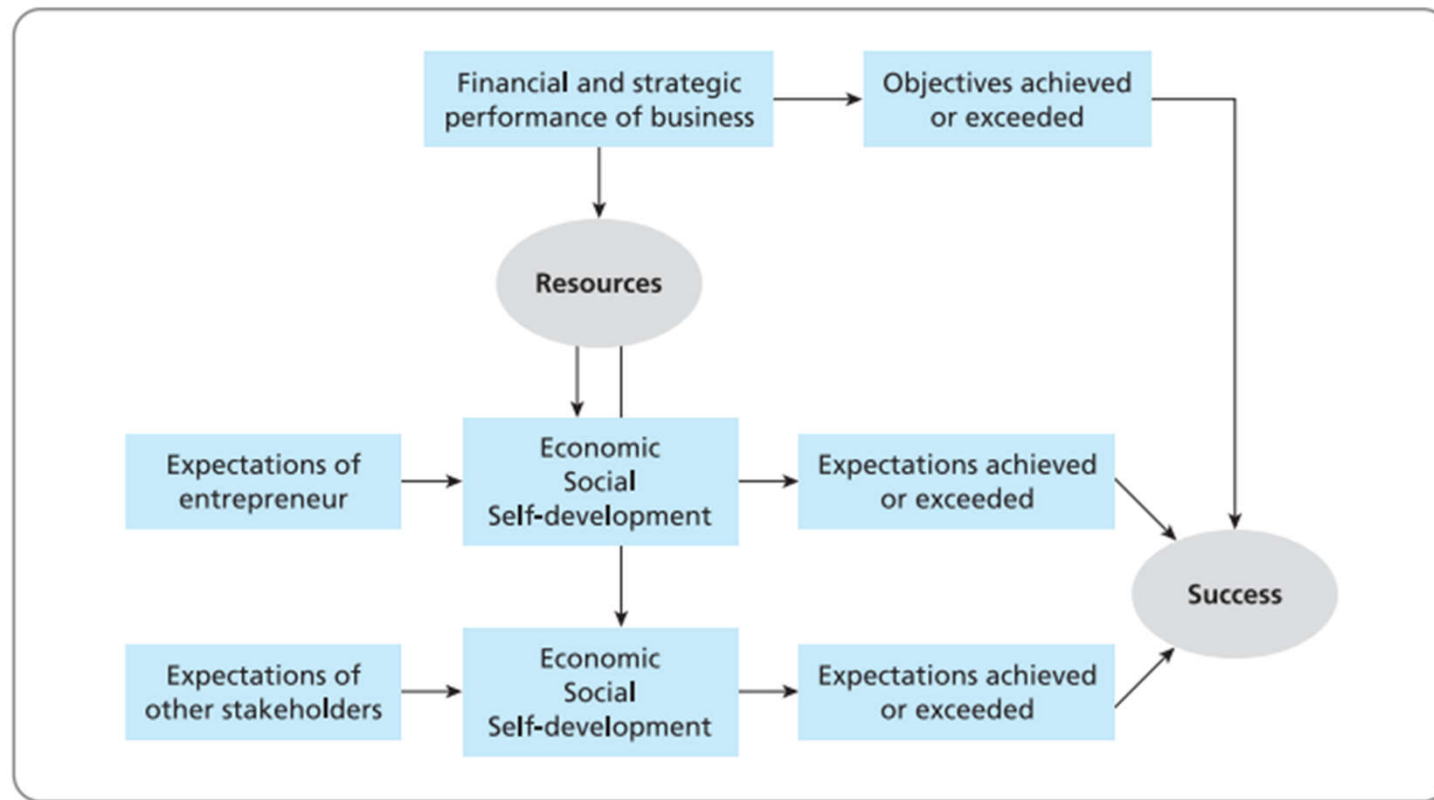


Figure 9.2 The dynamics of entrepreneurial success

Success factors for the new venture

- The venture exploits a significant opportunity
 - The opportunity the venture aims to exploit is well defined
 - The innovation on which the venture is based is valuable
 - The entrepreneur brings the right skills to the venture
 - The business has the right people
 - The organisation has a learning culture and its people a positive attitude
 - Effective use of the network
 - Financial resources are available
 - The venture has clear goals and its expectations are understood
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Measuring success and setting objectives

The performance of the venture is subject to a variety of measures including:

- absolute financial performance – e.g. sales, profits;
 - financial performance ratios – e.g. profit margin, return on capital employed;
 - financial liquidity ratios – e.g. debt cover, interest cover;
 - absolute stock market performance – e.g. share price, market capitalisation;
 - stock market ratios – e.g. earnings per share, dividend yield;
 - market presence – e.g. market share, market position;
 - growth – e.g. increase in sales, increase in profits;
 - innovation – e.g. rate of new product introduction;
 - customer assessment – e.g. customer service level, customer rating.
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TASK POINT

What are the responsibilities of entrepreneurs in building a nation or region after a major conflict?



REFLEKSI

- Informasi penting hari ini

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- Manfaat penting dari informasi penting hari ini

- Tindak lanjut yang dapat saudara lakukan
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Thank You