ENTREPRENEURIAL THEORY

The word entrepreneurial is derived from the French entrepreneur, which means “to undertake. Someone who undertakes the tasks of organising, managing and assuming the risks of businesses” (Webster 2020). However, there is no singular definition of the term entrepreneur. According to Kuratko (2017), the characteristics and actions of entrepreneurs, such as seeking opportunities, taking risks and enabling their tenacity to develop their idea come into a special mindset of entrepreneurs. It is impossible to categorise all entrepreneurs due to the broad definition. However, it is possible to distinguish some entrepreneurs as each type tend to choose their own path based on their personality, abilities and surroundings. Five categories of entrepreneurs may fall into include:

1. The Innovator
   - Discovers unique ideas and transforms them into viable businesses.

2. The Hustler
   - Works hard and is willing to get their hands dirty.

3. The Imitator
   - Takes proven business ideas and improves and develops them.

4. The Researcher
   - Continues to gather all relevant information on their idea, even after its success.

5. The Innovator
   - Identifies and specialises in buying promising businesses.

Some entrepreneurs may fall distinctly into these categories whereas some may fall into more than one. Reggie Kray can be categorised by the hustler due to his ruthless efforts as a gangster to make a profit through organised crime and as a nightclub owner. Though he was involved in illegal business, Reggie Kray did display entrepreneurial behaviour and can therefore be argued as a hustler entrepreneur on the darker side of the business world.

REGGIE KRAY

Reginald “Reggie” Kray was born only minutes before his twin Ronald “Ronnie” on the 24th October 1933 in Hackney, East London. During the Krays’ teenage years, they became infamous for the gang they formed in their area, conveying their violent a vicious nature from a young age and narrowly escaping several attempted arrests. The twins were also called to perform their national service but were dishonourably discharged soon after.

Reggie soon turned to crime alongside his brother Ronnie. They bought a local snooker club where they ran several protection rackets and were involved in armed robberies, hijackings and arson. They built up their own group known as “The Firm,” which became a dominant force in the East End. The success of their nightclub such as Esmeardo’s Barn gave the twins a celebrity status on the swinging London scene (Pearson, 1984). Reggie soon married a young woman, Frances Shea in 1965. The marriage was toxic and violent, which unfortunately led to Shea committing suicide at the age of 23.

The Kray’s criminal activities remained hidden behind their celebrity status, business and powerful reputation which deterred people from making any claims against the brothers. However the twins and members of the Firm were arrested with the twins being sentenced to life imprisonment in May 1968 due to various criminal offences and murders such as Reggie’s public murder of a man “The Hat” McVitie (Blanco, 2020).

After serving more than the recommended 30 years in prison, Reggie was freed in August 2000 on compassionate grounds due to his inoperable bladder cancer. He spent his final weeks with his second wife Roberta who he had married while in prison before dying on 1 October 2000.

ALVAREZ (2007) suggested that entrepreneurial opportunities can be exploited in a variety of ways conveying the idea that the most efficient way to exploit a particular opportunity is by organising an enterprise. Reggie Kray does exactly that and can thus be classified as one of the most successful entrepreneurs of the illegal world, conveying tactical entrepreneurial behaviour.

Reggie planned and plotted to build his criminal empire from a young age. Reggie produced the idea to run protection rackets for local businesses, using his ruthless and violent reputation to his advantage, at a profit. The “Firm” were also involved in armed robberies, hijackings, arson, murder and several other crimes, all carefully planned, managed and executed to make a profit at a risk.

Reggie Kray’s keen eye for opportunity and absence of fear helped him to become a deadly yet successful gangster. His clever yet careful use of violence and intimidation at the forefront of his success.

They were the best years of our lives. They called them the swinging sixties. The Beatles and the Rolling Stones were rulers of pop music, Carnaby Street ruled the fashion world... and me and my brother ruled London. We were fucking untouchable...


My Entrepreneurial Behaviour

Upon being given the task to make a profit from a £20 note, myself and my team of four put our heads together and began brainstorming various ideas. After many discussions, we unanimously decided to buy stocks, with the intention of making a profit. I then wrote out a little business plan which was crucial to the success of our project. Through this we coordinated activities, divided several tasks and settled on times to meet up. From this we seemed to have established roles within the group as natural leaders emerged and others happy to sit back. This being known as the ‘forming’ stage of teamwork.

At our next meeting we shared various information we gathered on stocks within one another. One of my group members took on the role of handling the stocks due to a pre-existing Swedish stock account available. Naturally, conflict then arose upon choosing stocks options. Some wanted to play it safe while others wanted to take a risk for a potentially high reward. After a pleasant debate we decided to compromise and split the capital between a high dividend fund known as XACT and a pharmaceutical company, Redwood Pharma.

As weeks passed, with the rise of Covid-19 and a weak exchange rate, our stocks fell drastically, failing to make a profit. However we received a richer reward from this assignment. We learnt how to work as a team and enriched our knowledge of stocks, while having fun. This process also enabled me to think entrepreneurially, thus allowing me to categorise myself as a ‘hustler’ entrepreneur by my work ethic, linking similarities between myself and Reggie Kray. This added a separate dimension to the assignment ad provided me with an interesting perspective on entrepreneurial theory.
Entrepreneurial Theory
The endeavour of becoming an entrepreneur involves "considerable risk, hard work and sacrifice". Some of the main entrepreneurial theories are:

- Economic Theory
- Innovation Theory
- Psychological Theory
- Theory of High Achievement
- Resource based Theories

The investigation into entrepreneurship began during the 1940s however entrepreneurial behaviour has been present in society long before these studies took place.

P. T. Barnum
Phineas Taylor (P. T.) Barnum was born in 1810 in Connecticut, USA and was “the greatest publicity exploiter the world has ever known”. He is most famous for the establishment of “Ringling Bros. and Barnum & Bailey” circus.

He had many other business ventures including promotion of Swedish opera singer Jenny Lind in 1850, profiting up to $1,000 per night.

Barnum’s entrepreneurial talents revealed themselves at age 12 when he began selling snacks to sailors.

Barnum’s Entrepreneurial Behaviour
Entrepreneurial behaviour is a willingness to challenge the norm in order to promote innovation.

Barnum began his entrepreneurial journey when he took a risk and purchased a museum in New York: “Barnum’s American Museum” in 1814. The museum contained biological wonders such as a 25inch tall dwarf who became known as “General Tom Thumb”.

Barnum later established “P. T. Barnum’s Great Travelling Museum, Menagerie, Caravan & Hippodrome” or “Barnum and Bailey’s” as it became known. His main attraction was Jumbo, an African Elephant he purchased from London Zoo in 1882.

The world had never seen any traveling show like this before.

Barnum gained publicity by publishing articles about his own shows claiming they were fake.

“In his day, P. T. Barnum was more popular than Gates, Musk & Jobs combined”

Oleck 2017

Experience in Entrepreneurial Behaviour
Failure is a huge part of entrepreneurship. Failure can arise due to many factors including externalities. Unfortunately due to an outbreak of disease which caused a global pandemic, our entrepreneurship assignment was unable to be fulfilled and therefore, failed. This could be classed as an environmental factor. The pandemic is also likely to cause a recession which would be classed as an economic factor.
Conscientiousness indicates an individual's degree of organization, persistence, hard work, and motivation to accomplish goals.

Openness to experience describes curiosity, creativity and complexity of an individual's mental and experimental life.

Extraversion is manifested in an energetic approach towards the social and material world.

Agreeableness means a high level of trusting and cooperating.

Neuroticism contrasts entrepreneur's self-confident and resilient in the face of stress.

The Identification of a New Business Opportunity

Al Capone saw the potential in the bootlegging because when the prohibition of alcohol came into force, alcohol became very expensive, while demand for it had not decreased.

Al Capone a legal antique furniture business to earn an extra income and divert police attention.

Elimination of ballast in the person of Jim Colosimo for the sake of taking over his empire into Capone's and John Torrio's hands.

Al Capone took over the entire business after Torrio left for Italy. Elimination of the direct competitor allowed Capone to dominate on the East Coast, open a legal business on stock exchange and rig local elections.

Theories

1. The Uncertainty-Bearing Theory of Knight
   - Risk bearing
   - Profit = reward of bearing non-insurable risks and uncertainties

2. Peter Drucker's View
   - Entrepreneur always searches for changes
   - Entrepreneur responds to it and uses it as an opportunity

3. Economic Component
   - G.F. Papanek (1962) and J.R. Harris (1970) stated that the potential economic benefit is the main factor that influences entrepreneurial activities.

Traits of a successful criminal

1. Social Capital
   Social ties play an important role in organized crime. They are usually formed from childhood or prison experience, based on ethnicity, place of birth and family relations.

2. Strong Work Ethic
   Hard work coupled with commitment allows a criminal to climb the crooked ladder of crime.

3. Human Capital
   Fundamental stock of habits, knowledge, social and personal attributes, which provide a criminal the ability to perform so as to produce value.

Entrepreneurial Behavior

The main definition of entrepreneurial behavior is the discovery and exploration of new business opportunities with the purpose of profit and growth, which involves three distinct activities:

1. The Identification of a New Business Opportunity
   - Al Capone saw the potential in the bootlegging because when the prohibition of alcohol came into force, alcohol became very expensive, while demand for it had not decreased.

2. The Establishment of a New Venture to Exploit the Opportunity
   - Al Capone a legal antique furniture business to earn an extra income and divert police attention.
   - Elimination of ballast in the person of Jim Colosimo for the sake of taking over his empire into Capone's and John Torrio's hands.

3. The Management of the New Venture to Flourish Over Time
   - Al Capone took over the entire business after Torrio left for Italy.
   - Elimination of the direct competitor allowed Capone to dominate on the East Coast, open a legal business on stock exchange and rig local elections.

Entrepreneurship Behavior in group project

Purchase of the materials for production

3 Pounds for each bracelet

Sold out

Confidence in the success of the idea allowed us to tie the first batch of bracelets, which was immediately sold out, even though the production took a lot of time.
Entrepreneurial process of Lululemon

1. Opportunity recognition
   He used the "three word rule", and after hearing the word yoga three times saw an opportunity becoming an opportunistic entrepreneur.

2. Germination
   Recognising the growing demand for sports clothing and a changing consumer lifestyle.

3. Preparation
   He collaborated with a female yoga teacher to appeal to the target market and meet market needs more efficiently.

4. Incubation
   He spent some time designing the clothing and predicted that yoga will be a huge trend in the future.

Feasibility study
Due to past experience of sports clothes production he was aware of efficient techniques. Also no other company was making fashionable sport clothes at the time, so this innovation would be very profitable in the future. Furthermore he invented a set of new fabrics, which he paired with innovative sewing techniques.

Innovative marketing techniques
In order to attract customers, Chip needed entrepreneurial qualities such as innovation. To save money on marketing, he focused on word of mouth advertising, and made his store double as a yoga studio, so the target market would see the inventory. Furthermore the location of the logo on the products is hidden, so that a potential customer would need to look very closely and examine the product to find where it is from.

In 2002 Chip also conducted a marketing campaign where the first 30 people to enter their store naked, would receive a free outfit. This brought a lot attention from the media.

Result
The aforementioned steps and the qualities and experience that Chip Wilson possesses, combined were able to create a new trend and a market of fashionable athletic apparel. He also established a core value of entrepreneurship in his 460 stores worldwide.

Determinants of a successful Entrepreneur

1. Human Capital
   The general knowledge of the world that can be acquired either through education or through experience results in a more successful entrepreneurial venture. Having a higher level of education is shown to double the profits earned.

2. Age
   van Praag (1997) found that age seems to have a negative effect on the profit gained from the venture, an entrepreneur who is 10 years older seems to earn 25% less profit than his counterparts.

3. Experience in Sector, Trade, Finances
   Arguably, experience is most influential. Having experience in the sector has shown to triple the profit, and having experience in self employment doubles the profits earned.

Entrepreneurial Behaviour in B1077

Selling metal straws
Entrepreneurial group behaviour

we bought 20 straws for 10£
3£ two straws
2£ per straw

Communication
Confidence
Opportunity recognition
Organisation

Result
Overall this was a successful venture and we earned triple the profit than what we invested! However there were some organisational and motivational issues.
Gabrielle «Coco» Chanel (Saumur, 1883- Paris, 1971)

1883 Born in Saumur, France
1896-1901 Abandoned in an orphanage by her father
1910 Opening of the first shop in Paris, selling hats
1913 Launch of her first line of clothes
1921 Creation of her iconic perfume – Chanel No. 5
1926 Little black dress
1939 Business shut down due to World War 2
1954 Triumphant return to the fashion world
1971 She died at the age of 88

Chanel’s entrepreneurial behaviour

Entrepreneurial process undertook by Chanel:

1. Opportunity recognition and analysis of the target market
   Chanel understood the changes in the lifestyle of women and created clothes tailored to their needs. Her target consisted of women of all ages.

2. Acquisition of resources
   - Human capital: technical skills such as sewing and dress-making learned during the time spent in the orphanage.
   - Social capital: Balsan introduced her to the upper class and helped her create connections with competent people.
   - Financial capital: financially supported by Balsan and Capel.

3. Building capability
   As sales increased fast, Chanel hired new fitters and salespeople and opened new shops. By 1930 she had 20 workrooms and was employing nearly 2500 people.

Chanel’s designs were innovative in terms of:

- **Materials**: she used traditionally masculine fabric such as tweed and jersey.
- **Style**: focused simultaneously on functionality, comfort and elegance.
- **Colours**: black usually regarded as a symbol of death, sorrow and sin. In fashion, it was a colour attributed to the working class.

The little black dress
Chanel designed a loose-fitting, long-sleeves, calf-length dress that would allow women to move easily.

Chanel suit
Suit consisting of a short, fitted, collarless jacket and a straight, slim skirt.

Entrepreneurial behaviour in B1077

What? Use £20 to buy metal straws and sell them to QMU students and staff
When? Thursday is the busiest time at QMU, so we thought it could be the best time to sell the straws
Where? Next to Starbucks so that people could buy their drink and use our straw with it
Result We sold out all our straws in less than two hours and made a profit of £27.5

Typical personality traits of successful entrepreneurs:

- Self-efficacy
- Risk-taking propensity
- Social adaptability
- Tolerance to ambiguity
- High levels of emotional intelligence

Other factors affecting entrepreneurs’ performance:

- Family support
- Changes in the environment
The Entrepreneurial Talent Chain

Creativity generates ideas and opportunities; Advantage selects the right one to go for and provide the target against which focus delivers.

Creativity
innovation, turning ideas into opportunities and solutions

Barnum created something original by working with curiosities and commercialised it strongly using unusual ways triggering "creative destruction". (e.g. elephant as marketing mean, strategy for purchasing the museum)

Focus
to define a target and not be distracted,
to act with urgency and not procrastinate

Barnum’s life was strongly aligned with his goals, following the 12 rules of money making.

Advantage
ability to select right opportunities and find the resources needed

Barnum was keen on collaborations, taking advantage of others expertise. He saw opportunities in markets that were unusual and followed his instincts.

Entrepreneurial Learning

Entrepreneurship ≠ one-off event

It is based on a constant cycle of activity, continuously improving entrepreneurial understanding.

Phineas Taylor Barnum

BARNUM (1810 -1891) Connecticut

Age 15: father died
Age 16: Clerk, 1st entrepreneurial activities
Age 18: Retail fruit store
Age 25: Joice Heth exhibition
Age 26: Aaron travelling circus
Age 31: American Museum
Age 39: Jenny Lind
Age 41: property development
Age 60: P. T. Barnum’s Grand Traveling Museum
Age 71: Barnum and Bailey Circus

“I was merely turning every possible circumstance into my account, seizing opportunity by instinct” p. 121

P.T. Barnum
DEDICATION AND PUBLICITY – WHEN SHOW BECOMES BUSINESS.
The Entrepreneurs

Tessa Clarke: Co-founder and CEO
- grew up on her parents’ dairy farm in North Yorkshire, England
- learned that producing food is hard work
- food is meant to be eaten, not thrown away
- came up with the idea of a food sharing app when she was moving and had left over food she did not want to throw away

Saasha Celestial-One: Co-Founder and COO
- daughter of Iowa hippy entrepreneurs
- spent much of her childhood rescuing things that others had discarded
- learned that one man’s trash is another man’s treasure

Entrepreneurial Behaviour & the Entrepreneur

Opportunity recognition:
- the average UK household disposes 3 kg of avoidable food and drink waste every week (see diagram)
- Tesco, one of the largest food retailers, generated almost 57,000 tonnes of food waste in the UK in 2013/2014
- over 500,000 people in the UK are now reliant on food parcels
- each year the food waste in the UK creates 19 million tonnes of needless greenhouse gases

Innovation:
- food sharing platform: people upload details of the food they would throw away and people nearby can collect it
- also works as food redistribution charity, volunteers collect the end of life food from businesses and give it to people who might need it
- reduction of food waste and help for people that do not have enough food

Risk taking:
- the company was incorporated on the 9th of February 2015
- one year to prove it and make it happen, and if not they would have to go back and get proper jobs

Commitment:
- started with a trial group of 12 people on WhatsApp
- participants shared the food they would put to waste for two weeks, the feedback from the participants was very positive
- with the help of an investor the app was launched in the App Store on 9th July 2015
- started out as a basic app that could only be used by 5 postcodes in North London
- now over 1.8 million users in 49 different countries

Entrepreneurial Theory Applied to Olio

Olio as a Social Enterprise:
- driven by a mission to create social value: reducing food waste is critical for improving resource efficiency, in addition to that production that is intended for the human consumption but not eaten accounts for 8% of global anthropogenic greenhouse gases
- opportunity-oriented: by producing an app the founders focused on the new possibilities the communication revolution generates, in 2019 96% of the 16-24 year olds owned a smartphone
- innovative and resourceful: connects neighbours with each other and with local businesses so surplus food can be shared, not thrown away
- accountable: the reduction of food waste with the help of Olio has lasting social, environmental and economical benefits

Entrepreneurial Behaviour in B1007

Initial idea: as a group we agreed to host a pub quiz at our student pub “Maggie’s”
The idea was to sell tickets that would allow people to take part in the quiz, the winner table would win a prize
- unfortunately, we did not try to realise our idea right away and were not able to book Maggie’s for a night to do our pub quiz, in the end we ran out of time to organise something else.
The only idea we could come up with on such short notice was to put the money into stocks but they were all going down due to the coronavirus so we decided not to pursue that idea.
- Main issue: we did not assign roles and tasks clear enough to every individual team member

Weight of average household food and drink waste per week in the United Kingdom (UK) in 2012, by avoidability

Avoidable | Unavoidable | Possibly Avoidable
--- | --- | ---
0 | 0.5 | 1
1.5 | 2 | 2.5
3 | 3.5 | 4

Mariella Herwig, 19005402
Behind Fashion: Brains and Opportunity

In the Style

The man behind it all...

Adam Frisby left school aged 15 and moved abroad with family, he gained no qualifications from school. Although Frisby was not academically successful upon returning from Spain he became one of the youngest area managers for Burger King at the time (Roue 2017). At the age of 27, Frisby was made redundant from his job with little financial support (Falkner 2018). However, Adam’s work ethic drove him to come up with the idea of ‘In The Style’. Frisby was willing to take a risk as it was a new business venture for him.

The entrepreneur and their behaviour...

Frisby has shared that fashion has always been an interest of his along with the celebrity world, he merged the idea together as he saw a gap in the market. He contacted social media/reality tv stars querying if they would be interested in collaborating and designing fashion collections. More recently he has also introduced paid advertisements to social influencers (Sutherland 2017). This initiative from Frisby allowed him to transform his business and turnover to over thirty million pounds to date (Harris 2018).

Innovation is a large factor in entrepreneurial behaviour, for Adam Frisby and his brand he achieved disruptive innovation. As he started out his company he took to social media to promote the brand which was not something many brands were doing at the time. It is disruptive as it has changed the way the fashion market was beforehand with competitive consequences for the other firms (Ünaya and Zehirb 2012).

Groupwork… a success or failure?

Within this module we were split into groups and given twenty pounds, the aim was to make a profit by doing something entrepreneurial.

Our group got off to a positive start with ideas however these fell through and nothing more was done. Once we purchased our product to sell, we could not carry out the task due to sudden circumstances and we had left it too late.

I believe that our group lacked in motivation, communication and effort, in order for groupwork to succeed we should have ensured we were all participating and putting in effort. Cohen and Lotan (2014, p. 3), backed this up by stating “Group work issues can be resolved by proper preparation of the task”.

Entrepreneurs… are they born or made?

Shane (2010) suggests genes do account for the way an entrepreneur is formed. Evocative is just one of the gene-environmental connections that Shane discusses which is most relatable to Frisby as he had a lot of charisma and promise, which was vital when signing collaborations and helped him when starting out as people listened to him due to his skills.

However Kumari (2018) believes that it is a entrepreneurs characteristics which builds their entrepreneurial skills, traits and behaviours. Motivation is key for an entrepreneur and their skill set, motivation can be either internal; through achieving goals and power or it can be external and based on interest in the field or through gaps in the market. Frisby was confident in himself and the brand and was able to identify opportunities which allowed him to take risks to achieve the goals he was setting.

Introducing In The Style...

Adam Frisby founded fast-fashion company, In The Style in 2013. He set up his brand in a few hours then sourced a small selection of dresses. As his brand developed and took off he sold significantly more (BBC 2019). The massive turning point was when he decided to begin introducing celebrity collaborations, which quickly turned In The Style into a multi-million pound business (Griffiths 2018). In The Style differentiate themselves from competitors as they actively encourage women empowerment and body positivity. Adam has also recently featured in the BBC documentary “Breaking Fashion” which focused on the ins and outs of his bedroom-startup company (BBC 2019).
INTRODUCTION

GoGo Olive was founded in 2008 by Julie Hagan. Julie spent some time volunteering at a church in Mutare, Zimbabwe, where she was approached by ladies who were looking to sell their handmade products to earn a living during Zimbabwe’s difficult economic downfall in 2007.

In November 2008, the first group of six ex-inmates met together and started knitting. In November 2018, Gogo Olive celebrated their 10-year anniversary with 60 ladies who are supported by the charity.

GOGO OLIVE KNITS

Gogo Olive aims to be self-sufficient as a business so that it is sustainable; giving the best chance to survive in the challenging financial climate of Zimbabwe.

The products will give a SENSE OF PURPOSE, providing the ladies with the opportunity to provide for themselves and their families.

They will also be ETHICALLY PRODUCED; training will be provided in budgeting skills. Saving schemes will be used to make their money go further each month.

Gogo Olive strives to CREATE LINKS between the producers and customers. Each product has the name and photo of the lady that knitted it and by having a section on their website dedicated to telling the stories of each lady, allowing you to send a message to the knitter.

The work environment creates a place where the GOGO FAMILY can share their ups and downs of life together – providing support.

GOGO OLIVE CARES

Aims to disciple the ladies in their faith, to practically address any physical needs they may have and empower them by education. They provide weekly bible study, out home visits and organising educational workshops. Gogo Olive also has an “emergency fund”, which can be accessed by the ladies to help in emergency situations.

THEORY

‘pursuit of opportunity beyond the resources currently controlled’ - Professor Howard Stevenson

DREAM
DECISIVENESS
DEDICATION
DESTINY
DOLLARS
DEVOTION
DOERS
DISTRIBUTE

ENTREPRENEURIAL BEHAVIOUR IN B1077

Source: Based on Tuckman’s Team & Development Model

Source: Based on Carol Moore’s Model
Stepping into the Fabulous World of Shoes

Maud Frizon

Maud Frizon: An Entrepreneur

Frizon, who was a French model in the 1950/60s, found the necessity for models of having to provide personal shoes to match their outfits unsatisfactory. This motivated her to create her own designs for shoes. She pursued this new creative project within the competitive market of high-quality shoe design and manufacture. The business ‘Maud Frizon’ was created and operated in partnership with her Italian shoe manufacturing husband, Luigi de Marco.

Entrepreneurship Theory

Academics have studied entrepreneurs and entrepreneurship, and have formulated different theories about entrepreneurial behaviour.

The rise of the Maud Frizon high fashion shoe business in the second half of the twentieth century, conforms to the model of the entrepreneurship process (Morris et al., 1994). Frizon was able to identify an opportunity, assess and acquire the necessary resources and implement these into a new business venture.

The triggering event for Frizon was a gap in the market, the lack of resources and personal job frustration with the modelling industry (Bygrave, 1989). From there, Frizon was able to influence the designer shoes market and become a successful entrepreneur.

Group Work in Entrepreneurship

In evaluating the process, it would appear that our group work conformed to Tuckman’s (1965) theory, whereby the five principles were apparent. In the forming stage there was little agreement, following onto the storming stage where power struggles ensued. Relationships restored themselves in the norming and performing stages with clear roles and visions. Finally, the adjourning stage brought task completion and satisfaction.

Entrepreneur

Entrepreneur = Risk Taker

The theorists believe the higher the risk the better the return. This idea forms the basis of Knight’s Risk-Taker theory (1942). An entrepreneur essentially has to take a step into the unknown. Maud Frizon took great risk in her shoe designs by making unusual combinations of materials. This gave Frizon the image of being unpredictable and provocative. This risk paid off and resulted in Frizon gaining high profit and return, and as a result, her business was able to open multiple boutiques in fashionable cities.