**The Role of an Entrepreneur**

- The motivation and skills of entrepreneurs need to be conducive to change an innovation which give the business vitality and relevance

- Attributes of creative individuals:

= Imaginative

= Intense

= Original

= Intelligent (but not particularly brilliant)

= Non-conformist

= Self reliant

= Casual

= Impulsive

= Emotionally unstable

= Assertive and highly observant

= Intolerant of routine

= Socially inept **(incompetent)**

= Inventive, resourceful, shrewd etc

- Highly creative people also tend to have:

= Perseverance

= A high level of curiosity

= A low fear of failure

= Strong need to achieve

= Broad interests

= A high energy level

- Entrepreneurs must introduce into the business whatever changes are necessary to meet the challenges of a changing and turbulent world

- Leaders must be innovative and, thus, entrepreneurial

- Entrepreneurial leaders take innovative ideas and bring them to the market place

**Types of Innovation**

Inventions

= Invention is the essential first stage of innovation

= One of the most visible forms of creativity at work

- New and Improved Products

= Product innovation is the most visible form of innovation

= The sources of satisfactions underlying the reason people buy them are varied (eg: Price, service, quality perceptions)

= R&D is an essential part of the innovation process

= Often the products developed by smaller firms are bought by larger firms because of their ability to realise the product’s true potential through their massive resource base

= Product improvement keeps manufacturers on edge because they have to keep up with the competition, gain or sustain a competitive advantage

= Some innovators improve on existing products to the point where consumers believe that they are new products

- New and Improved Services

= Services are intangible: quality is often harder to measure

= Service performance (delivery) and consumption are inseparable: the consumer is almost always present while the service is being performed

= Services are perishable: this problem is overcome by using pricing schemes (eg: cheaper tickets for matinee shows or off-peak rates etc)

= Services are labour intensive: it costs more to employ a person than a machine

= Services are more heterogeneous: because most services are different, it stands to reason that each service will differ for each consumer

= Services are performed rather than produced: some companies, eg: pizza delivery, sell both the tangible (pizza) and the intangible (delivery) and are judged on both

= Business has to improve in both service quality and consistency as well as improving productivity and efficiency

= Innovation in service must be directed towards: recruitment, job skill, interpersonal relations, customer service, attitude development, time management etc

- New and Improved work operations, processes and methods

= Process innovation is important for business

= All work operations must add value

= Unless operations are well planned and maintained, a business can self-destruct

= Quality control is vital for successful business

= A Boeing 767 has six million parts, Boeing holds 25 million spare parts at any one given time, and Boeing manufactures the equivalent of 2 Jumbos a week in its 26 hectare building which houses 9000 employees – if one process fails, the flow of work can come to a grinding halt

= Waste and errors must be minimised, costs controlled, processes must be co-ordinated etc

= Innovation can be applied to improving all parts and components of the end product

- New and improved machine design, engineering and layout

= This applies especially to manufacturing

= Plant and office layout can either contribute to an increase or decrease in efficiency

- New Markets and Marketing Methods

= Some focus on improving their marketing and others focus on creating new markets or expanding into new markets (market development)

= Market penetration can result from a careful marketing strategy – ie continually generating new demand for their products

= Diversification can attract new buyers

= Innovation in marketing should not be ignored when redefining the company’s goals

- Pattern Multiplying

= Devise new ways to do business

= Create a distinctive way to do business, such as franchising McDonalds burgers which was innovative in its day

- Synthesis

= Combining existing products, services or process to create a new idea, product or service (eg: adding convenience stores, motels, restaurants etc to petrol stations is an example of combining existing services to create a new one)

- Replication

= Take someone’s good idea and apply it to a new situation