

## STUDY GUIDE FOR MODULE NO. 1

### BASICS OF TECHNOPRENEURSHIP



#### MODULE OVERVIEW

This module emphasizes about the definition of technopreneurship and its importance. It also discusses about what makes an entrepreneur a technopreneur and why some people decide to become entrepreneurs. We then look at successful entrepreneurs' characteristics and the common myths surrounding entrepreneurship. We then examine entrepreneurship's importance, including the economic and social impact of new firms as well as the importance of entrepreneurial firms to larger businesses. Lastly, we introduce you to the entrepreneurial process.



#### MODULE LEARNING OBJECTIVES

At the end of this module, you will:

- Explain technopreneurship and discuss its importance;
- Describe corporate entrepreneurship and its use in established firms;
- Discuss three main reasons people decide to become entrepreneurs;
- Identify four main characteristics of successful entrepreneurs;
- Explain what makes an entrepreneur a technopreneur;
- Explain five common myths regarding entrepreneurship;
- Explain how entrepreneurial firms differ from salary-substitute and lifestyle firms;
- Discuss the impact of entrepreneurial firms on economies and societies;
- Identify ways in which large firms benefit from the presence of smaller entrepreneurial firms;
- Explain the entrepreneurial process.



#### LEARNING CONTENTS (Basics of Technopreneurship)

##### What is Technopreneurship?

- Technopreneurship is entrepreneurship in the field of technology.
  - The mindset of a person should always be looking out for innovation. A technopreneur needs to think "out of the box". The box is the logic of an industry, business or product. Logic answers why people are buying that product, why is the technopreneur using that kind of raw material, etc. Thus, a technopreneur has to look at the box and find something that is different. He or she doesn't just copy what is currently available in the industry/business.
- Technopreneurship is the application of the newest inventions and advancements in coming out with the new and innovative products through the process of dissemination. It is the integration of technology, innovation and entrepreneurship.



- Technopreneurship is the manufacturing of hi-tech products or making use of hi technology to deliver product to consumers. It is the exhaustive use of technology in making profit. It deals with high ventures in ICT, electronics, internet, life sciences and biotech. Moreover, this includes service firms where technology is critical to their mission, such as: e-Bay, FEDEX, SMART money transfer and e-learning.

### Importance of Technopreneurship

- Employment creation
- Local resources
- Decentralization and diversification of business
- Promotion of technology
- Capital formation
- Promotion of an entrepreneurial culture

### What is Entrepreneurship?

- Entrepreneurship is the process by which individuals pursue opportunities without regard to resources they currently control.
- Entrepreneurship is the art of turning an idea into a business.
- Entrepreneurs assemble and then integrate all the resources needed –the money, the people, the business model, the strategy—needed to transform an invention or an idea into a viable business.

### Corporate Entrepreneurship

- Is the conceptualization of entrepreneurship at the firm level.
- All firms fall along a conceptual continuum that ranges from highly conservative to highly entrepreneurial.
- The position of a firm on this continuum is referred to as its entrepreneurial intensity.

Entrepreneurial Firms	Conservative Firms
<ul style="list-style-type: none"> <li>• Proactive</li> <li>• Innovative</li> <li>• Risk taking</li> </ul>	<ul style="list-style-type: none"> <li>• Take a more “wait and see” posture</li> <li>• Less innovative</li> <li>• Risk adverse</li> </ul>

### Why Become an Entrepreneur?

The three primary reasons that people become entrepreneurs and start their own firms:

- Desire to be their own boss
- Desire to pursue their own ideas
- Financial rewards

## Characteristics of Successful Entrepreneurs

### 1. Passion for the Business

- The number one characteristic shared by successful entrepreneurs is a passion for the business.
- This passion typically stems from the entrepreneur's belief that the business will positively influence people's lives.

### 2. Product/Customer Focus

- A second defining characteristic of successful entrepreneurs is a product/customer focus.
- An entrepreneur's keen focus on products and customers typically stems from the fact that most entrepreneurs are, at heart, craftspeople.

### 3. Tenacity Despite Failure

- Because entrepreneurs are typically trying something new, the failure rate is naturally high.
- A defining characteristic for successful entrepreneurs' is their ability to persevere through setbacks and failures.

### 4. Execution Intelligence

- The ability to fashion a solid business idea into a viable business is a key characteristic of successful entrepreneurs.

## What makes an Entrepreneur a Technopreneur?

- A technology idea owner who ventures to make his idea a commercial reality.
- An entrepreneur who gets a technology idea, finds an opportunity to make it a commercial reality.

## Common Myths About Entrepreneurs

### • Myth 1: Entrepreneurs Are Born Not Made

- This myth is based on the mistaken belief that some people are genetically predisposed to be entrepreneurs.
- The consensus of many studies is that no one is "born" to be an entrepreneur; everyone has the potential to become one.
- Whether someone does or doesn't become an entrepreneur, is a function of the environment, life experiences, and personal choices.

### • Myth 2: Entrepreneurs Are Gamblers

- Most entrepreneurs are moderate risk takers.
- The idea that entrepreneurs are gamblers originates from two sources:
  - ✓ Entrepreneurs typically have jobs that are less structured, and so they face a more uncertain set of possibilities than people in traditional jobs.
  - ✓ Many entrepreneurs have a strong need to achieve and set challenging goals, a behavior that is often equated with risk taking.

- **Myth 3: Entrepreneurs Are Motivated Primarily by Money**

- While it is naïve to think that entrepreneurs don't seek financial rewards, money is rarely the reason entrepreneurs start new firms.
- In fact, some entrepreneurs warn that the pursuit of money can be distracting.

- **Myth 4: Entrepreneurs Should Be Young and Energetic**

- The most active age for business ownership is 35 to 45 years old.
- While it is important to be energetic, investors often cite the strength of the entrepreneur as their most important criteria in making investment decisions.
  - ✓ What makes an entrepreneur "strong" in the eyes of an investor is experience, maturity, a solid reputation, and a track record of success.
  - ✓ These criteria favor older rather than younger entrepreneurs.

### **Types of Start-Up Firms**

#### **1. Salary-Substitute Firms**

- Firms that basically provide their owner or owners a similar level of income to what they would be able to earn in a conventional job.

#### **2. Lifestyle Firms**

- Firms that provide their owner or owners the opportunity to pursue a particular lifestyle, and make a living at it.

#### **3. Entrepreneurial Firms**

- Firms that bring new products and services to the market by creating and seizing opportunities regardless of the resources they currently control.

### **Changing Demographics of Entrepreneurs**

- Entrepreneurial careers with these type of people is growing:
  - ✓ Women Entrepreneurs
  - ✓ Young Entrepreneurs
  - ✓ Senior Entrepreneurs

### **Economic Impact of Entrepreneurial Firms**

- Innovation
  - Is the process of creating something new, which is central to the entrepreneurial process.
  - Small firms are twice as innovative per employee as large firms.
- Job Creation
  - In the past two decades, economic activity has moved in the direction of smaller entrepreneurial firms, which may be due to their unique ability to innovate and focus on specialized tasks.

### **Entrepreneurial Firms' Impact on Society and Larger Firms**

- Impact on Society



- The innovations of entrepreneurial firms have a dramatic impact on society. Think of all the new products and services that make our lives easier, enhance our productivity at work, improve our health, and entertain us in new ways.
- Impact on Larger Firms
- Many entrepreneurial firms have built their entire business models around producing products and services that help larger firms become more efficient and effective.

### The Entrepreneurial Process

The Entrepreneurial Process Consists of Four Steps:

- Step 1: Deciding to become an entrepreneur.
- Step 2: Developing successful business ideas.
- Step 3: Moving from an idea to an entrepreneurial firm.
- Step 4: Managing and growing the entrepreneurial firm.



### SUMMARY

- ❖ Technopreneurship is entrepreneurship in the field of technology.
- ❖ Entrepreneurship is the process by which individuals pursue opportunities without regard to resources they currently control.
- ❖ Corporate entrepreneurship is the conceptualization of entrepreneurship at the firm level.
- ❖ Passion for the business, product/customer focus, tenacity despite failure and execution intelligence are the four primary characteristics of successful entrepreneurs.
- ❖ Common myths about entrepreneurs include: entrepreneurs are born not made, entrepreneurs are gamblers, entrepreneurs are motivated primarily by money and entrepreneurs should be young and energetic.
- ❖ Entrepreneurial firms are the firms that bring new products and services to the market by recognizing and seizing opportunities regardless of the resources they currently control. Entrepreneurial firms stress innovation, which is not the case for salary-substitute and lifestyle firms.
- ❖ There is a strong evidence that entrepreneurial behavior has a significant impact on economic stability and strength. The areas in which entrepreneurial firms contribute the most are innovation and job creation.

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