



**Parul<sup>®</sup>**  
**University**

## **FACULTY OF ENGINEERING AND TECHNOLOGY**

### Bachelor of Technology (B.Tech)

**Subject: Innovation and Entrepreneurship (203100357)**

**Semester: 6th Semester**

**Topic: Innovation and entrepreneurship, Contributions of entrepreneurs to the society, covers the various stages of setting up and growing an entrepreneurial firm.**



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“I knew that if I failed I wouldn’t regret that, but I knew the one thing I might regret is not trying.”

**Jeff Bezos**

Amazon founder & CEO



# What is...



## Entrepreneurship?

Entrepreneurship is the ability and readiness to develop, organize and run a business enterprise along with any of the uncertainties in order to make profit.



## Startup?

A startup is a young company founded by one or more entrepreneurs to develop a unique product or service and bring it to market.



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# CONTI...

## Entrepreneurship

Entrepreneurship is the process of

- Creating something new with
  - Value of devoting the necessary time and effort,
  - Assuming the accompanying financial,
  - Psychic and social risk and
  - Receiving the resulting rewards of monetary and personal satisfaction and independence.



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**CONTI...**

## **Meaning of Entrepreneur**

- The entrepreneur is defined as someone who has the ability and desire to establish, administer and succeed in a startup venture along with risk entitled to it, to make profits.
- An entrepreneur is an individual who **creates a new business, bearing most of the risks and enjoying most of the rewards.**
- The entrepreneurs are often known as a source of new ideas or innovators, and bring new ideas in the market by replacing old with a new invention.
- It can be classified into small or home business to multinational companies. In economics, the profits that an entrepreneur makes is with a combination of land, natural resources, labour and capital.
- In a nutshell, anyone who has the will and determination to start a new company and deals with all the risks that go with it can become an Entrepreneur.



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What does the term “innovation” mean to you?



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# INNOVATION?

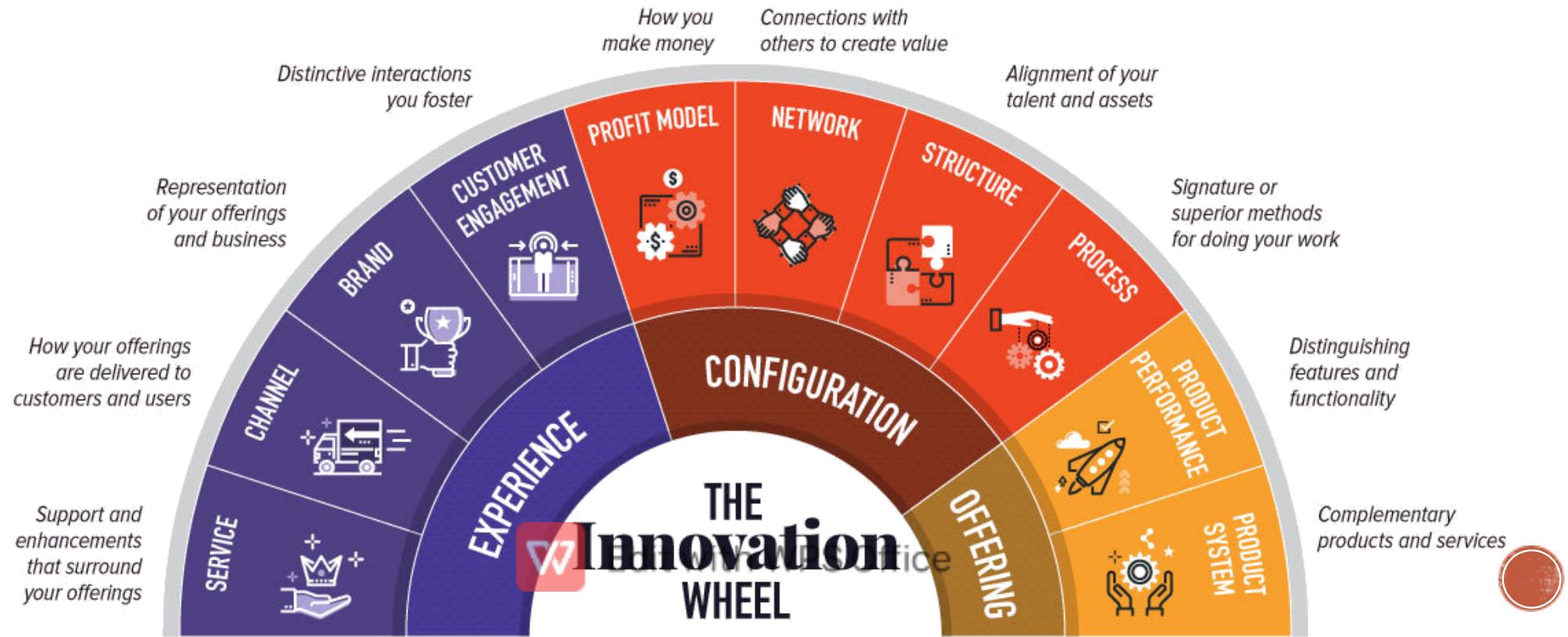
Concept of innovation

- New solutions to technical, organizational and/or social problems
- for consumers or at the corporate level
- First-time commercial application
- Benefits for more than one user
- Generates possible competitive advantages for businesses
- ≠ Invention (product of R&D, initial technical implementation of a solution to the problem)



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# UNDERSTANDING THE 10 Types of Innovation



# INNOVATION TYPES #1-4: “CONFIGURATION”

## CONFIGURATION



### PROFIT MODEL

The **New York Times** pivoted from its traditional ad-driven media model to digital user subscriptions.



### STRUCTURE

**Google's** “20% rule”, which allowed employees to work on side projects, led to the creation of Gmail and Google News.



### NETWORK

**Henry Ford** was one of the first industrialists to control his entire supply chain, a strategy later called vertical integration.



### PROCESS

**McDonald's** franchisees were encouraged to develop and launch their own new food items, leading to wins such as the Egg McMuffin.



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# INNOVATION TYPES #5-6: “OFFERING”

## OFFERING



### PRODUCT PERFORMANCE

**Spotify** created a seamless music streaming product that lapped competitors in terms of speed, responsiveness, and user experience.



### PRODUCT SYSTEM

**Apple** has built an extensive ecosystem of products that work together, creating additional value for users.



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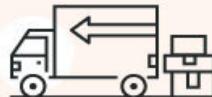
# INNOVATION TYPES #7-10: “EXPERIENCE”

## EXPERIENCE



### SERVICE

**Amazon Prime** comes with free expedited shipping, which can have products come as fast as within 2 hours in some metro areas.



### BRAND

**Patagonia**'s brand activism and links to environmental causes gives it a unique position in the outdoor apparel market.



### CHANNEL

**Nespresso** locks in customers with its Nespresso Club, as well as through ongoing sales of single-use coffee pods.



### CUSTOMER ENGAGEMENT

**Mercedes** has launched an augmented reality owner's manual that replaces its bulky predecessor while also highlighting driver and car data.



Mercedes-Benz



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# BENEFITS OF BECOMING AN ENTREPRENEUR

- The growth of Managerial Abilities
- Creating a career that aligns with your values
- Promotes Better Standard of Living
- Economic Development
- Become a business leader
- Unexpected and thrilling experiences
- Choosing who to work with
- Greater self-confidence
- Create Social Change
- Community Development



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# ROLES OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT OF A COUNTRY

Entrepreneurship is an essential driver of economic development. We need an economic environment which continuously grows and which grows with productivity, safety and protection of environment. and for that to happen, technologies have to be continuously renewed, the ways of doing business, how to be continuously renewed and the new methods of delivering products and services to the marketplace have to be devised. and all that is possible with entrepreneurial culture.

1. Wealth Creation and Sharing
2. Create Jobs (Create Employment)
3. Balanced Regional Development
4. Mobilization Of Local Resources
5. GDP and Per Capital Income



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# ROLES OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT OF A COUNTRY

6. Standard of Living
7. Promotion of Exports
8. Community Development
9. Growth of infrastructure
10. Development of Trader
11. Economic Integration
12. Inflow of Foreign Capital



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# MOTIVATING FACTORS TO BECOME AN ENTREPRENEUR

## Internal Factor

- Observe agonizing pain in the society, who are crying for help to alleviate it and you can provide a better solution than those exist.
- Desire to do something new, come up with a brilliant idea that can impact on society
- Become independent- be your own boss- sense of control.
- Achieve what one wants to have in life.
- Be recognized for one's contribution, Sense of accomplishment.
- One's educational background – empowerment through knowledge.
- One's occupational background and experience in the relevant field



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# MOTIVATING FACTORS TO BECOME AN ENTREPRENEUR

## External Factor

- Government assistance, financial support and conducive ecosystem
- Availability of labour and raw material – ready inputs.
- Encouragement from big Business houses
- Promising demand for the product – demand supply gap.
- Demand by Society
- Bring Change in the Society.



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**Entrepreneurship is a vehicle to make many people happy, while achieving desired personal goals by the entrepreneurs**



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# TYPES OF ENTREPRENEURSHIP

Here are the different types of entrepreneurship:

1. Small business entrepreneurship
2. Large company entrepreneurship
3. Scalable start-up entrepreneurship
4. Social entrepreneurship
5. Innovative entrepreneurship
6. Hustler entrepreneurship
7. Imitator entrepreneurship
8. Researcher entrepreneurship
9. Buyer entrepreneurship



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# WHAT IS INTRAPRENEURSHIP?

- The term intrapreneurship refers to a system that allows an employee to act like an **entrepreneur within a company or other organization.**
- Intrapreneurs are self-motivated, proactive, and action-oriented people who take the initiative to pursue an innovative product or service. An intrapreneur knows failure does not have a personal cost as it does for an entrepreneur since the organization absorbs losses that arise from failure.



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# EXAMPLE OF INTRAPRENEURSHIPS:

## McDonald's – The happiest meal

- Name a more iconic meal in a box than the Happy Meal. We'll wait...
- Did you know, however, that this icon actually started as a simple gimmick? In 1977, the St Louis regional manager, Dick Brams, wanted to trial a new meal that was just for kids. He pitched his box-based idea to management, and they were lovin' it!
- Two years later, McDonald's rolled out its first Happy Meal. It was circus-themed and very similar to the one we see today.
- In the time you've been reading this story, approximately 2,937 have been sold. 3 million Happy Meals are sold every day. One enduring myth about Happy Meals is that they are just for kids. We can assure you, that's definitely not the case...



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# CONTI...

## Starbucks – A tall order

- Sometimes, an idea becomes so embedded in our culture, we simply take it for granted.
- Founded in Seattle back in 1971, Starbucks went on a mission to become its customers' 'third place' to go – a relaxing and comfortable environment in between work and home. This mission was founded on selling not just coffee, but a unique customer experience.
- In 2011, when one smart barista decided to add to that experience by writing the names of customers on cups, it quickly got back to head office.
- Months later, this 'first-name basis' approach became standard at every single Starbucks store. The company even produced a televised ad to promote its new personal approach.
- Today, this 'little thing' happens four billion times a year at almost 30,000 locations worldwide. Not a bad way to perk up the daily grind!



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# CONTI...

## 3M – Made to stick

And last but definitely not least, the simple and effective Post-it Note – a key part of any office worker's arsenal.

Despite what popular culture will have you believe, this invention was not the crowning glory of Romy and Michelle, but was a legendary example of employee ideas.

3M scientist Spencer Silver's invention – a sticky, but not solid, adhesive – went without use for years until Art Fry, a fellow 3M employee, needed a bookmark that would stick without damaging the pages.

Partnering with Silver, they began developing the product, realizing their potential to hold messages and communicate around the office. Fry supplied the entire company with the new notes, and they were universally loved!



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# Three key drivers in the entrepreneurial journey

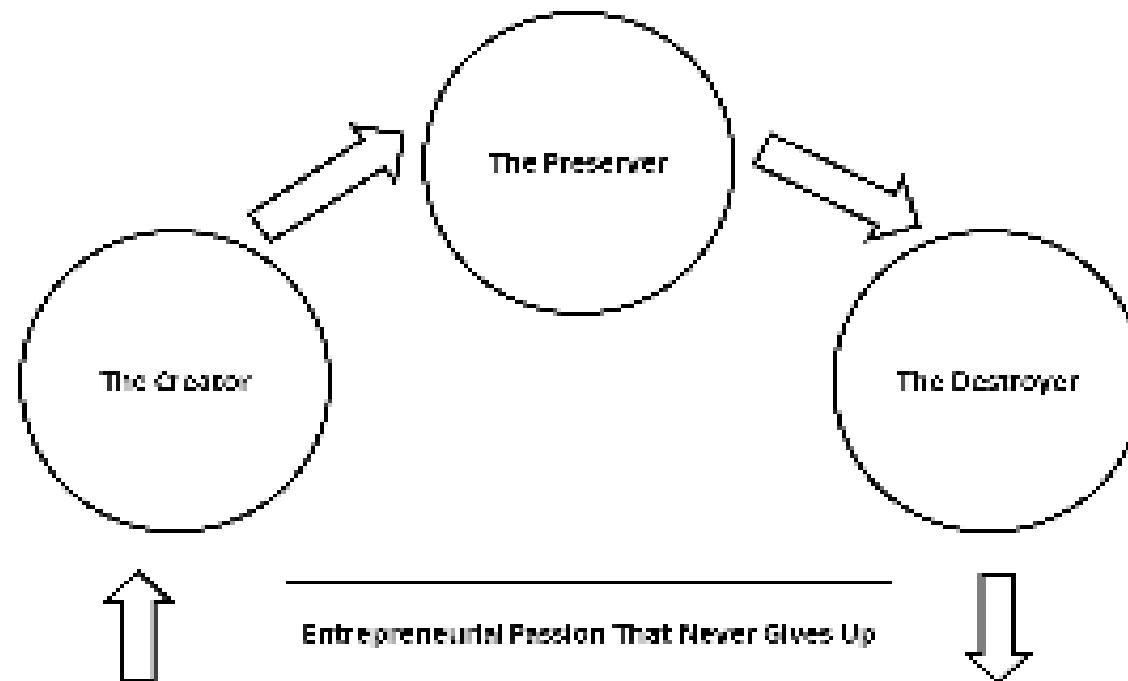


**A Multi-Component Start-up Ecosystem is a Vital Support for Entrepreneurial Success**



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# THE ENTREPRENEURIAL TRINITY



The Entrepreneurial Trinity



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# THE ENTREPRENEURIAL TRINITY

## 1) The Creators

- o Healthcare Entrepreneurs
- o Steel Entrepreneurs (Tata, Jindal, Kalyani etc.,)
- o Retail Entrepreneurs (Goenka, Damani, Biyani etc.,)
- o E-Commerce Entrepreneurs (Bansal, Bhavish, Kalra etc.,)



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# THE ENTREPRENEURIAL TRINITY

## 2) The Preservers

- Automobile Entrepreneurs (Bajaj, Tata, Mahindra etc.,)
- Pharmaceutical Entrepreneurs (Dr Anji Reddy, Dilip Sanghvi, DB Gupta etc.,)
- Software Entrepreneurs (Narayana Murthy, Azim Premzi, Shiv Nadar etc.,)
- Hospitality Entrepreneurs (Oberoi, Kamat, Lalit etc.,)



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# THE ENTREPRENEURIAL TRINITY

## 3) The Destroyers

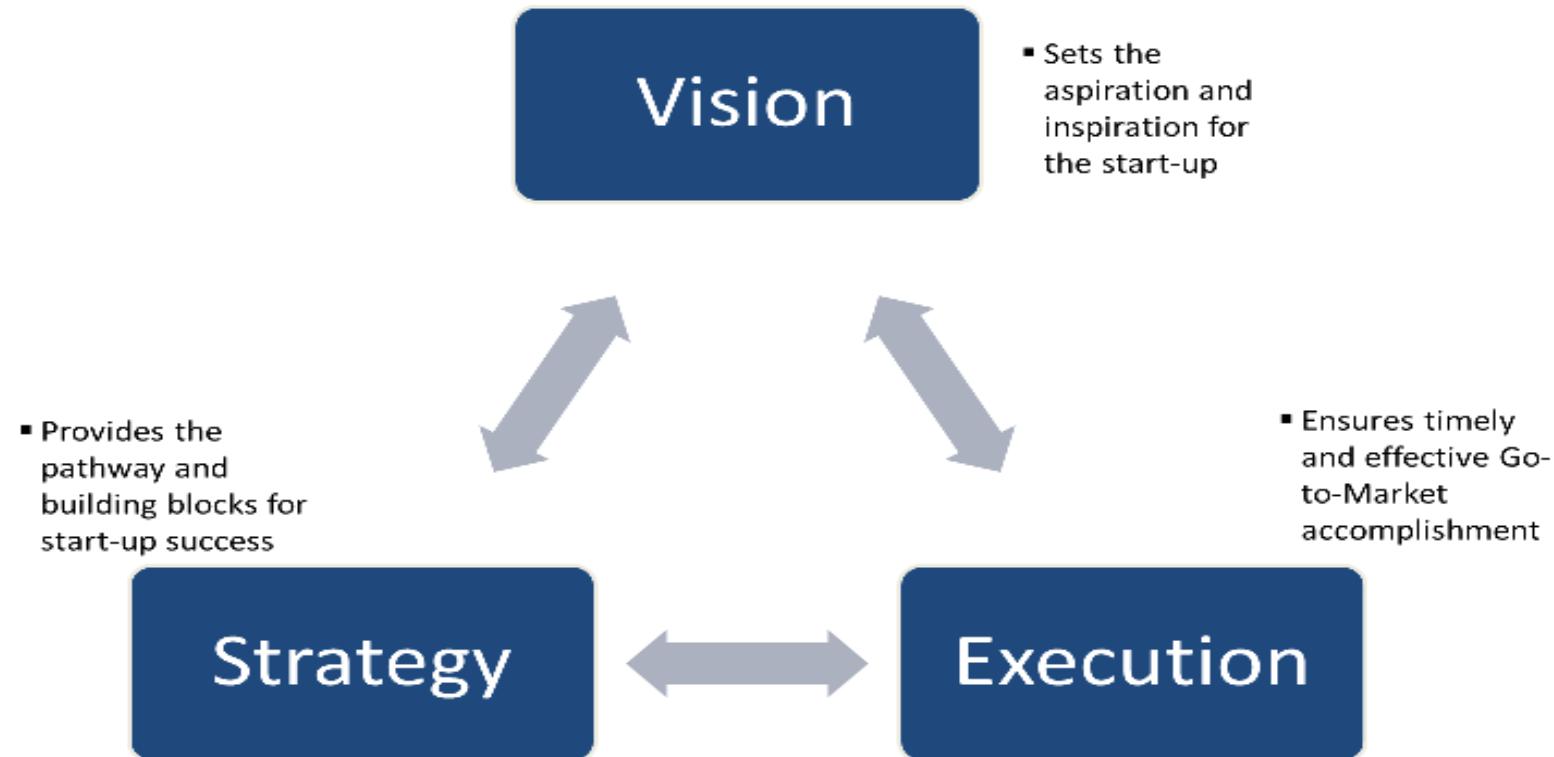
- Airline Entrepreneurs
- Telecom Entrepreneurs
- Electronics Entrepreneurs
- Logistics Entrepreneurs

In practice, entrepreneurs tend to be a combination of all the three types at different points of time: creating and growing businesses, consolidating and preserving businesses, and divesting and restructuring businesses



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# VISION-STRATEGY-EXECUTION TRIAD



- **Vision for Entrepreneurial Success**

- Socio-economic purpose of the proposed business
- Nexus between creative technology and business purpose
- Scale-up and sustainability of the business
- Inspiration that stokes the entrepreneurial passion

- **Strategy for Entrepreneurial Success**

- Planned pathway for converting the vision into reality
- Stage-gated approach to build and grow business
- Invaluable aid to define the problem and solution perceptively
- Template to monitor and course-correct the entrepreneurial journey



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## Execution for Entrepreneurial Success

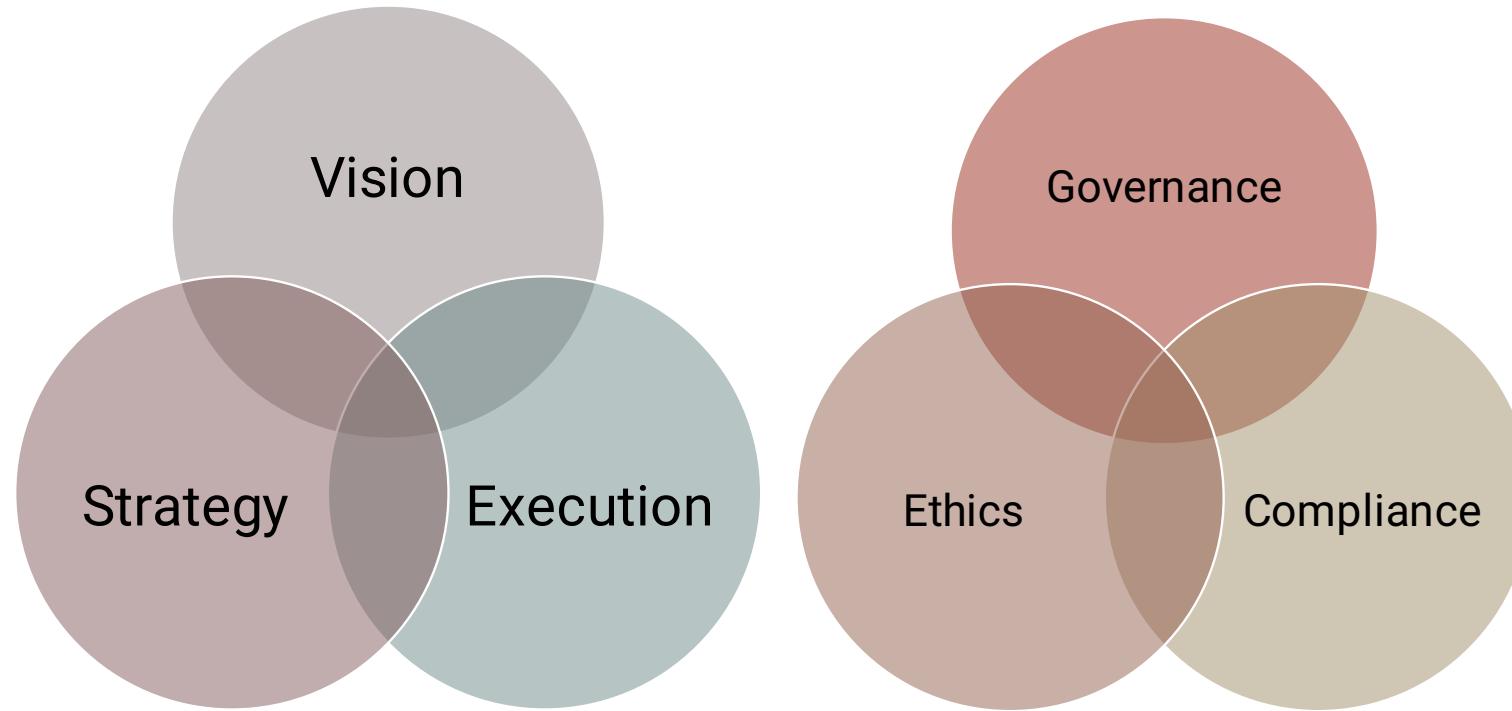
- o For effective 'Right-to-Market' and 'First-to-Market'
- o Differentiator when competitors have similar vision and strategy
- o Requires optimal deployment of resources
- o Determinant of the risk-reward balance in the entrepreneurial journey



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# Leadership and Governance Framework



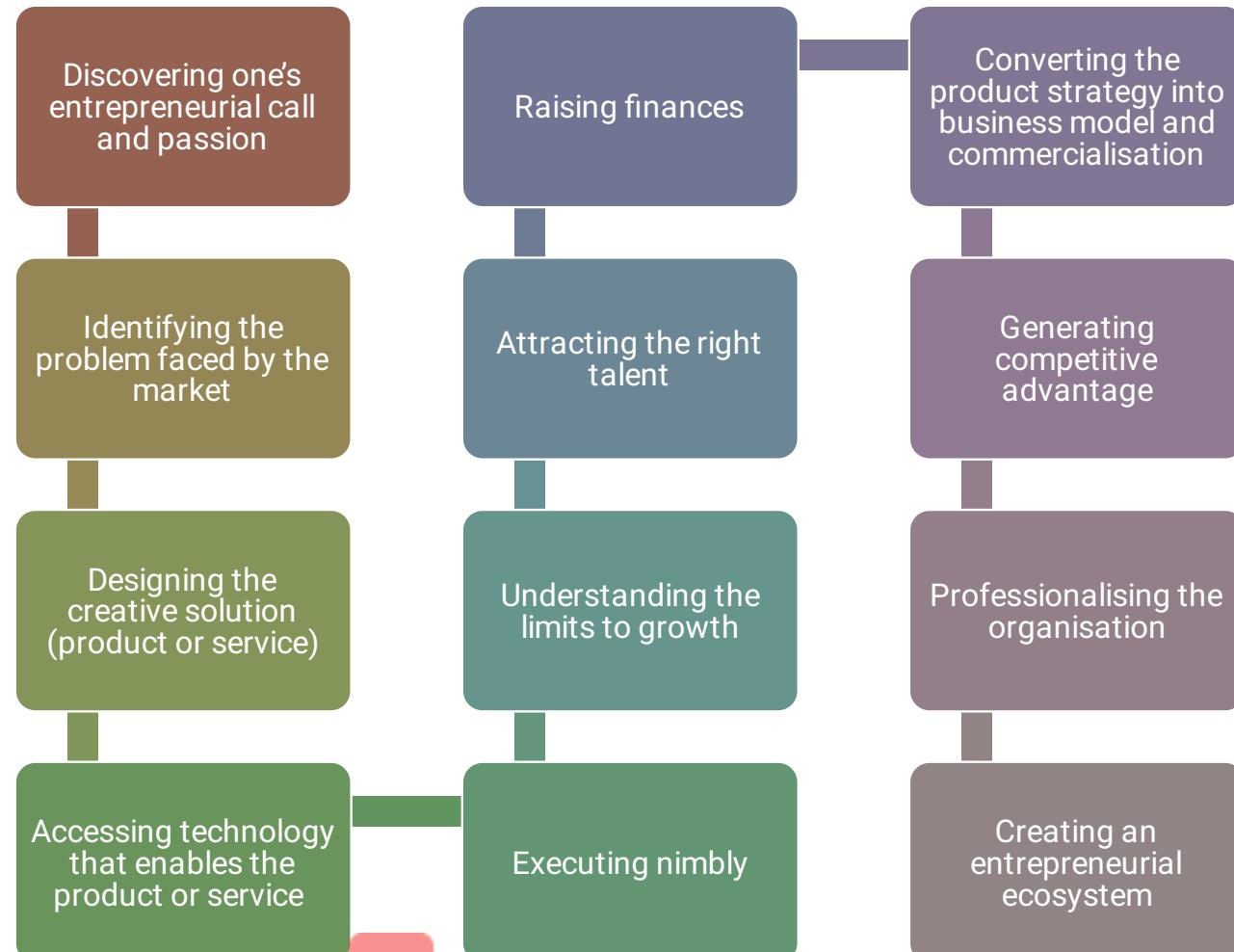
The Vision-Strategy-Execution triad, set in a framework of prudent corporate governance of ethics and compliance is as important for entrepreneurial and start-up firms as it is for well-established firms and conglomerates.



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# Steps in the Entrepreneurial Journey



## Discovering One's Entrepreneurial Call and Passion - 1

### The basic step

- Understanding the need or desire, and identifying a role model

### The next step

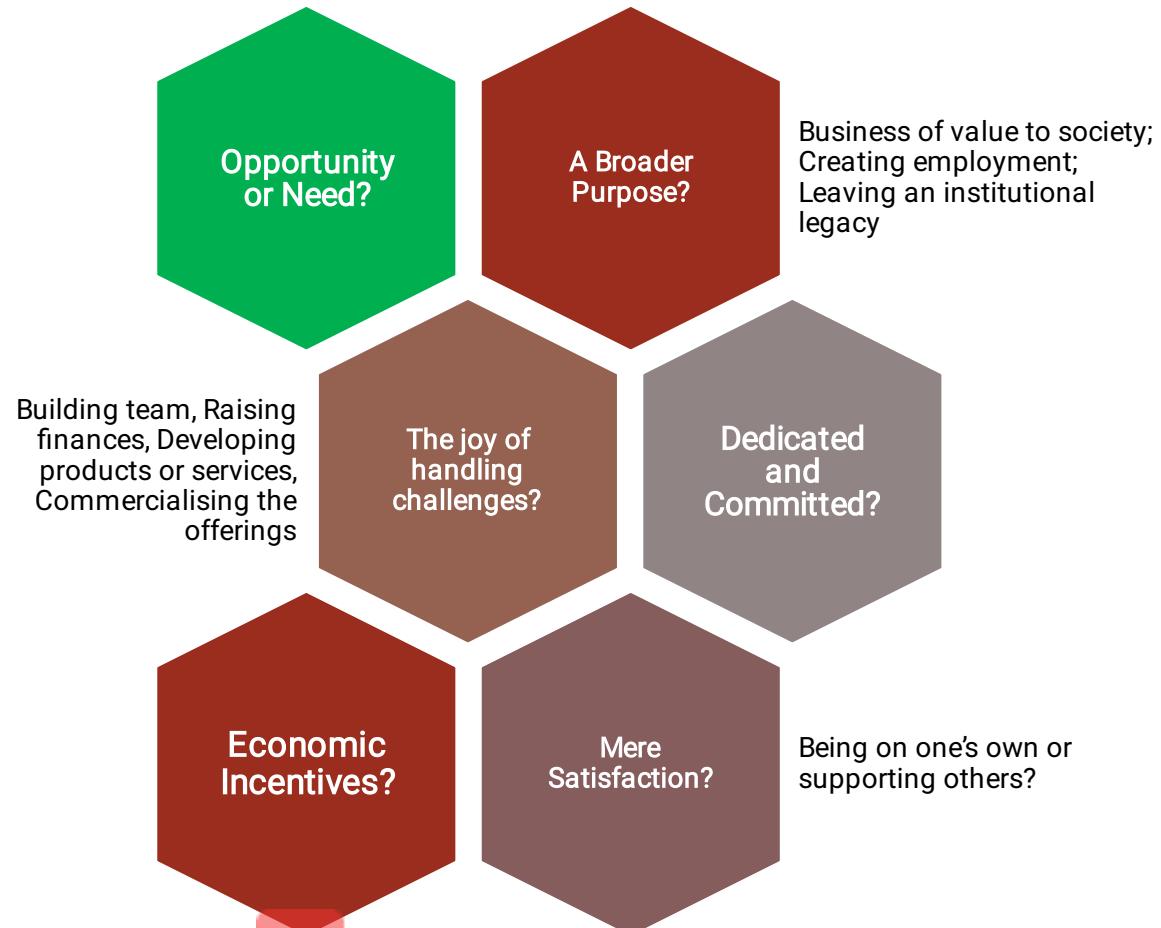
- Assessment against the needed entrepreneurial characteristics

Many hazy and aspirational factors need to be crystallised, prior to embarking on the journey



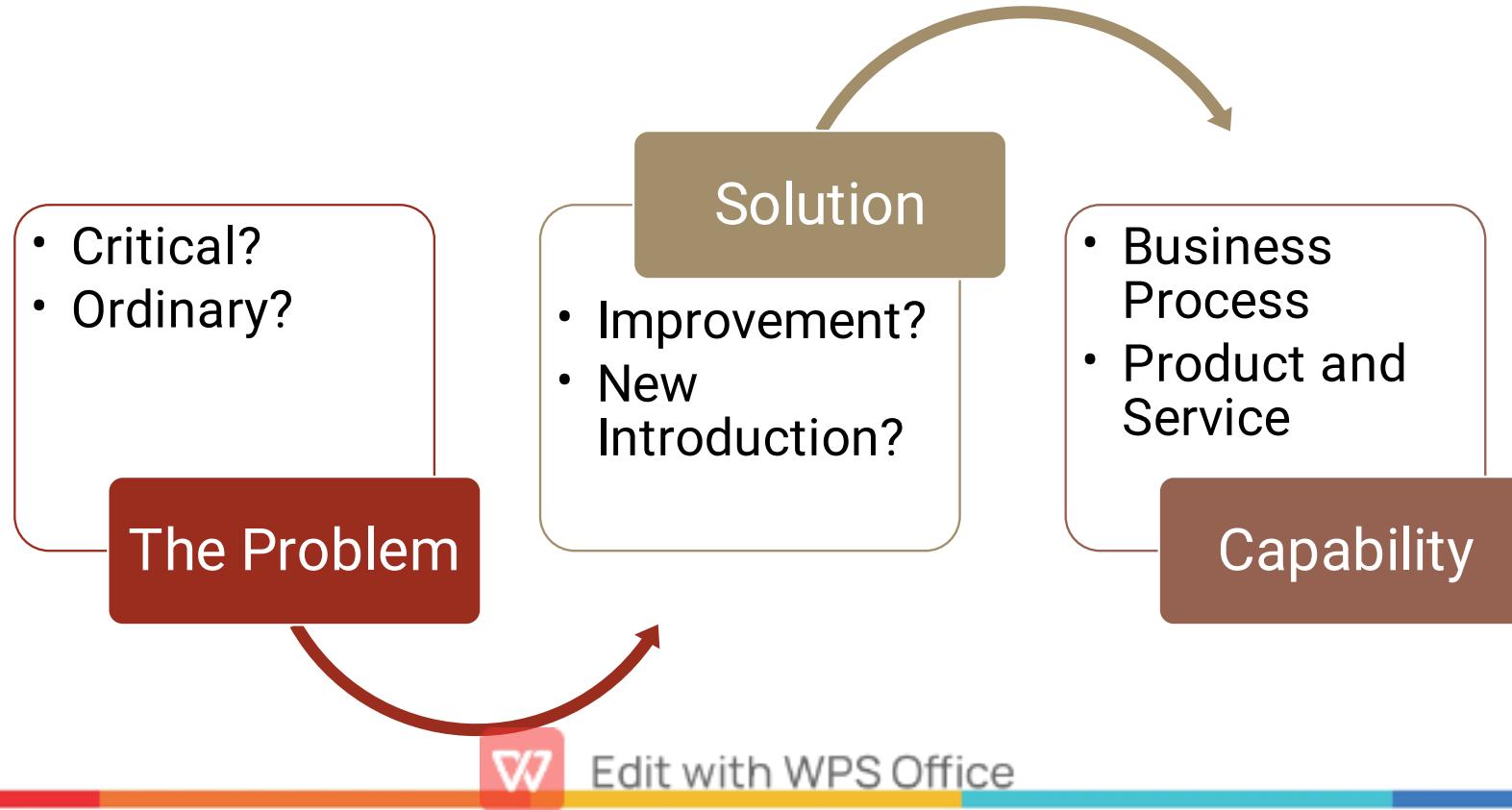
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## Discovering One's Entrepreneurial Call and Passion - 2

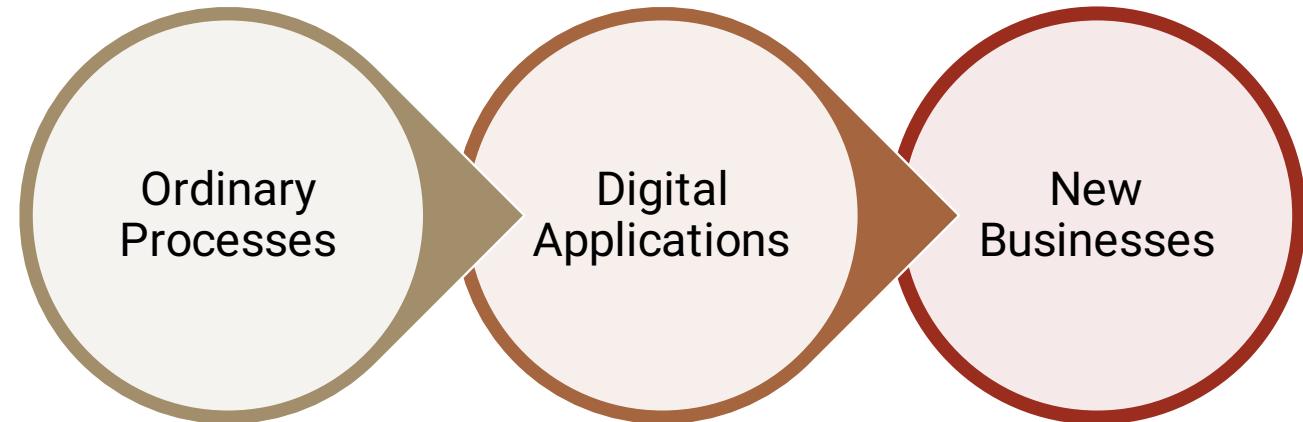


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## Identifying the Problem in the Marketplace



## Designing and Delivering Creative Solutions



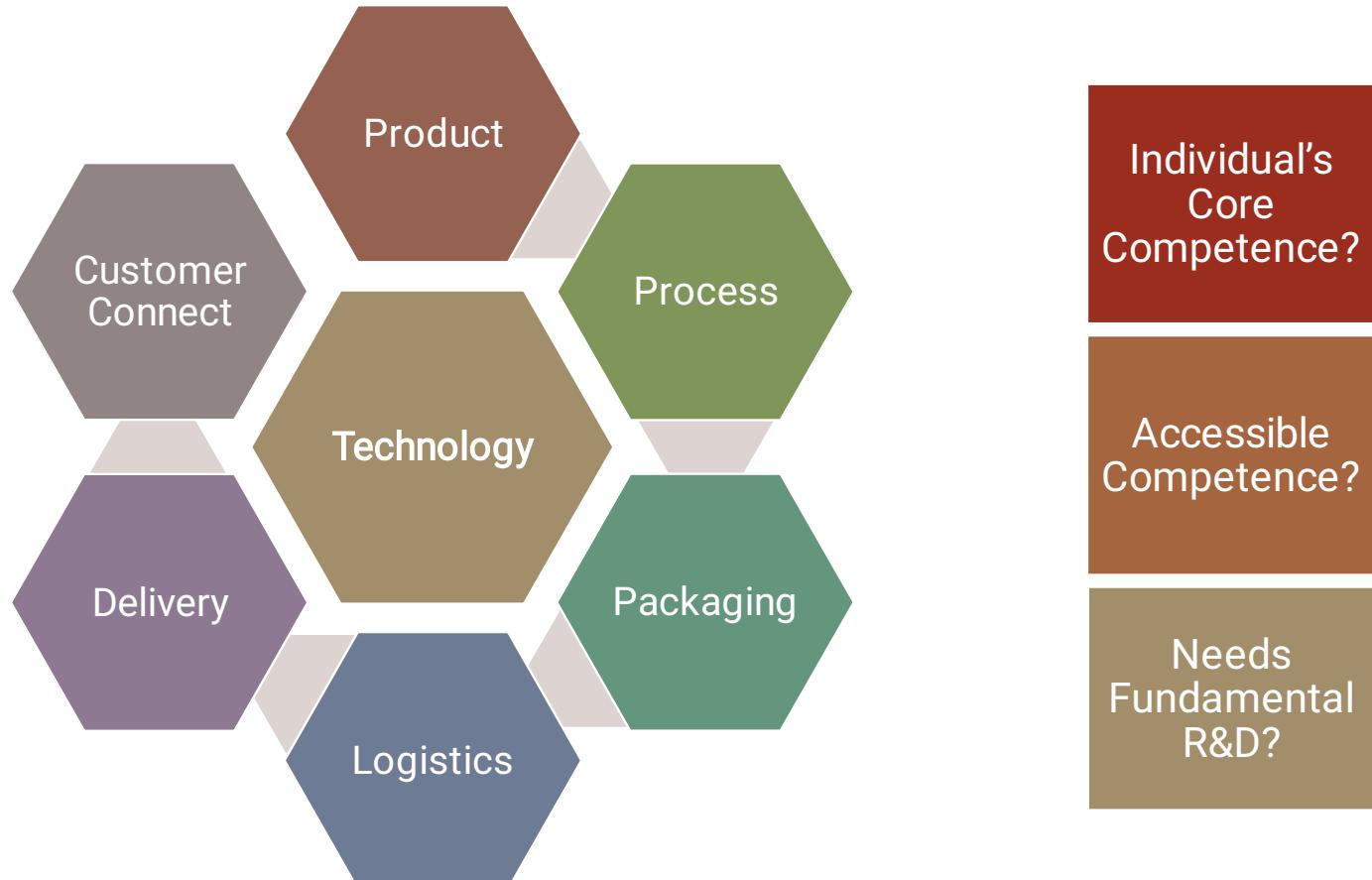
UrbanClap



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## Accessing Technology that Enables the Product or Service



## How much institutional capital can I get?

VCs

Banks

## How much seed capital can I get?

HNIs

Angels

## How long can I last by myself?

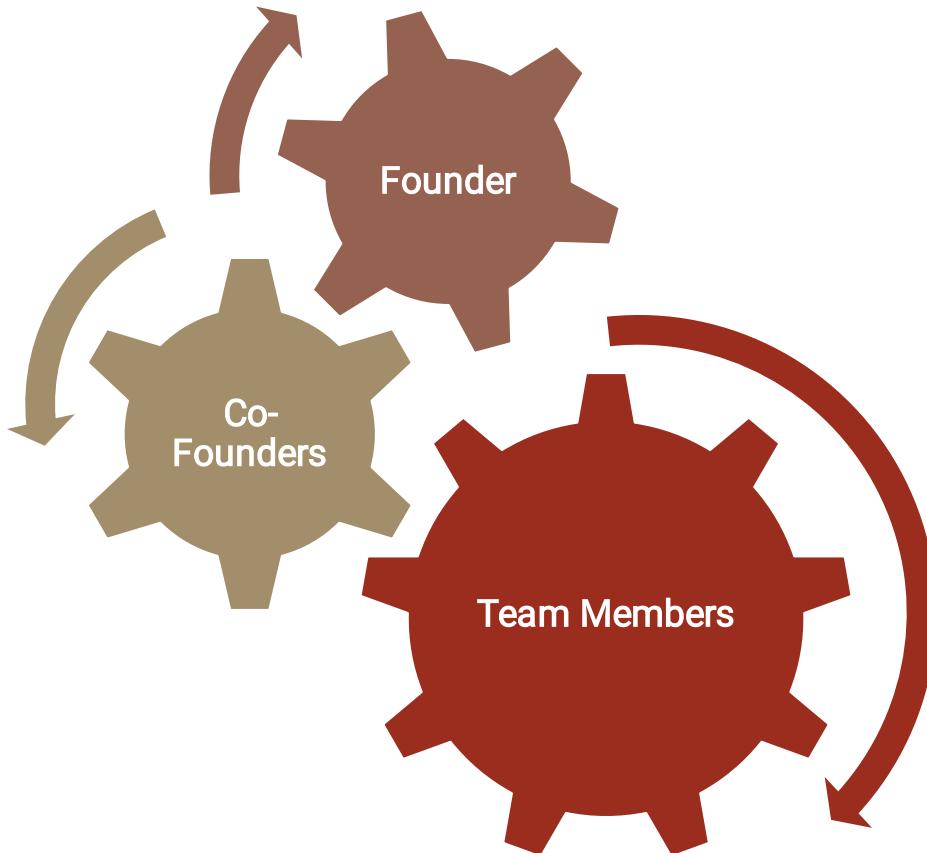
Own Savings

Family Savings



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## Attracting the Right Talent



Competent?

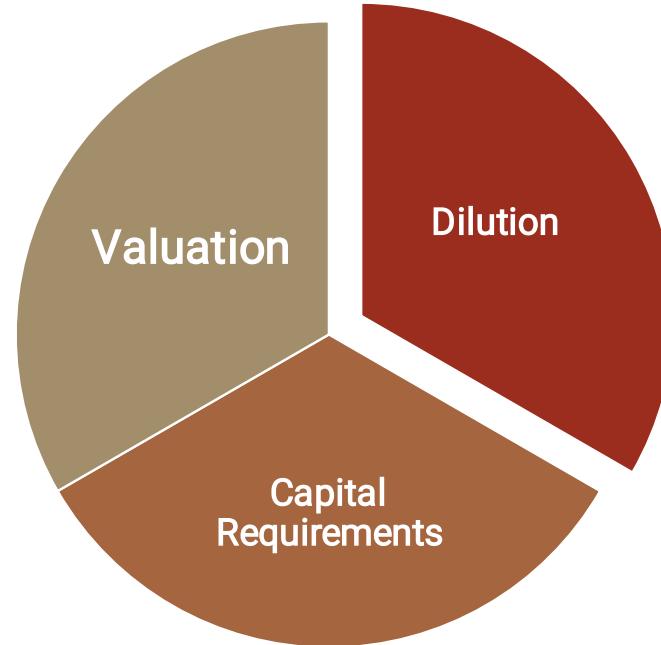
Committed?

Passionate?



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# Understanding the Limits to Growth



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## Executing Nimbly

Product



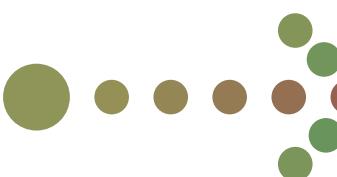
People



Finance



The Firm



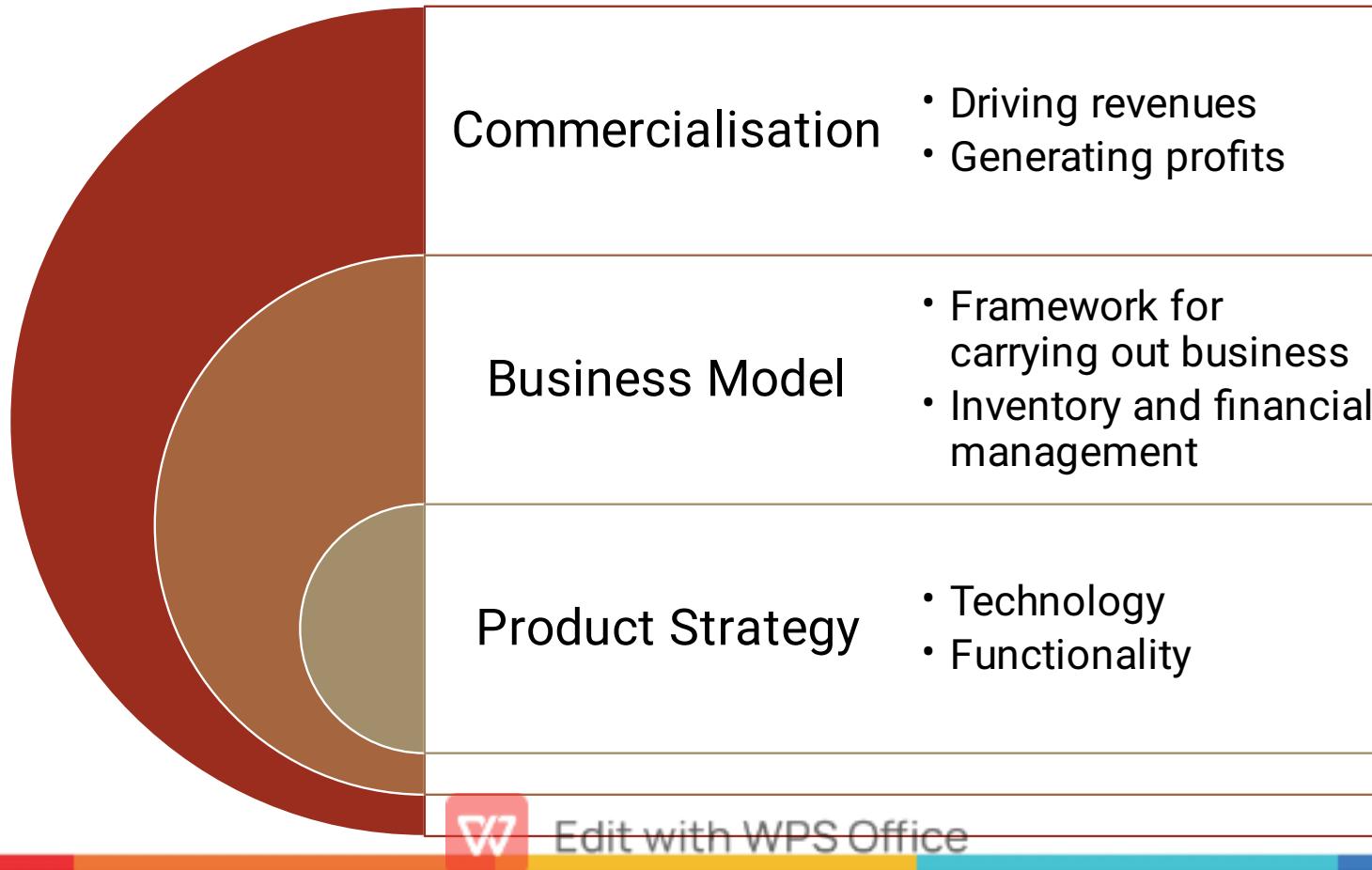
The greater  
the clarity,  
and the  
lower the  
constraints,  
the faster  
will be the  
execution



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# From Product Strategy to Business Model and Commercialisation



## Competitive Advantage

Product  
Quality

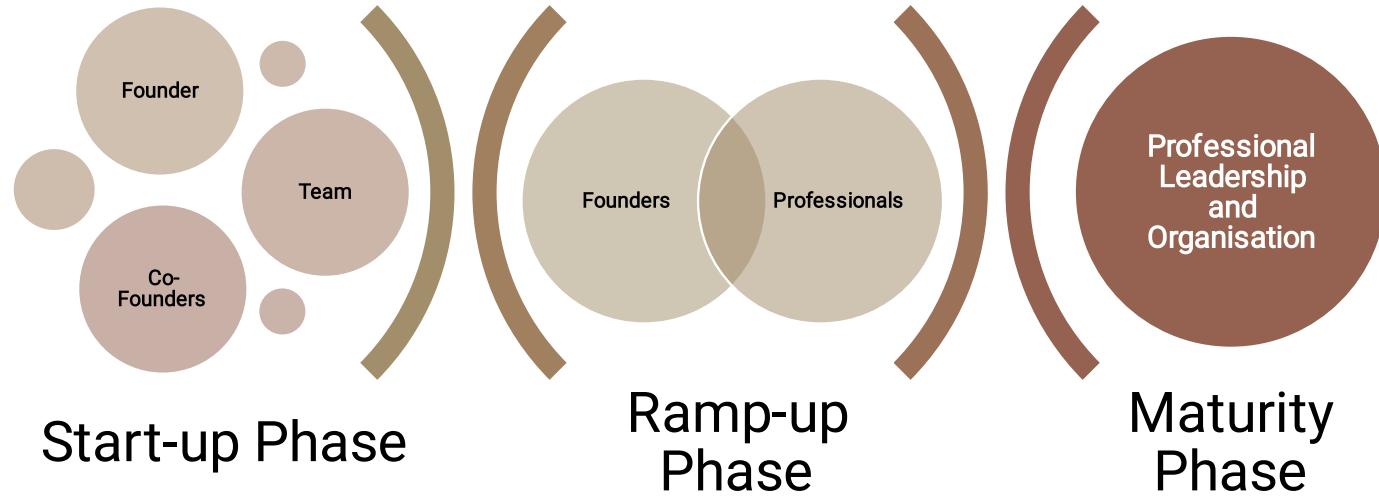
Product  
Value

Right to  
Market; First  
to Market

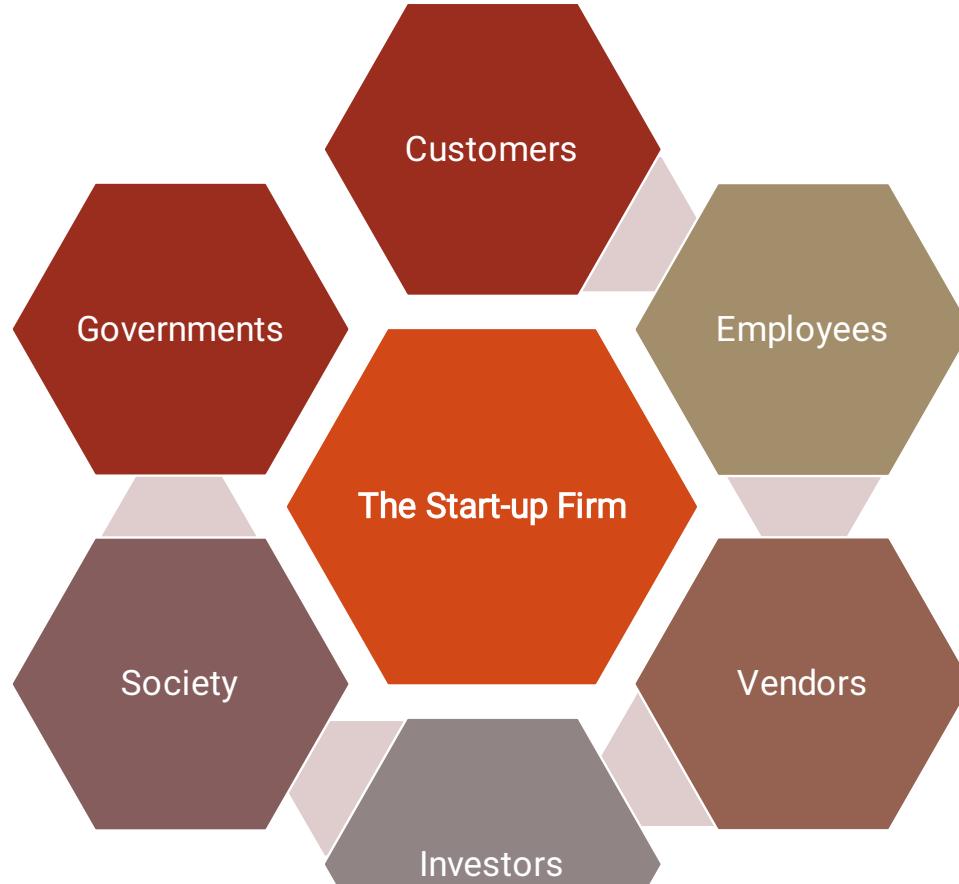


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## Professionalising the Organisation

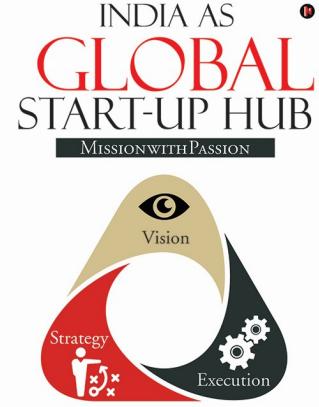


## Creating the Ecosystem

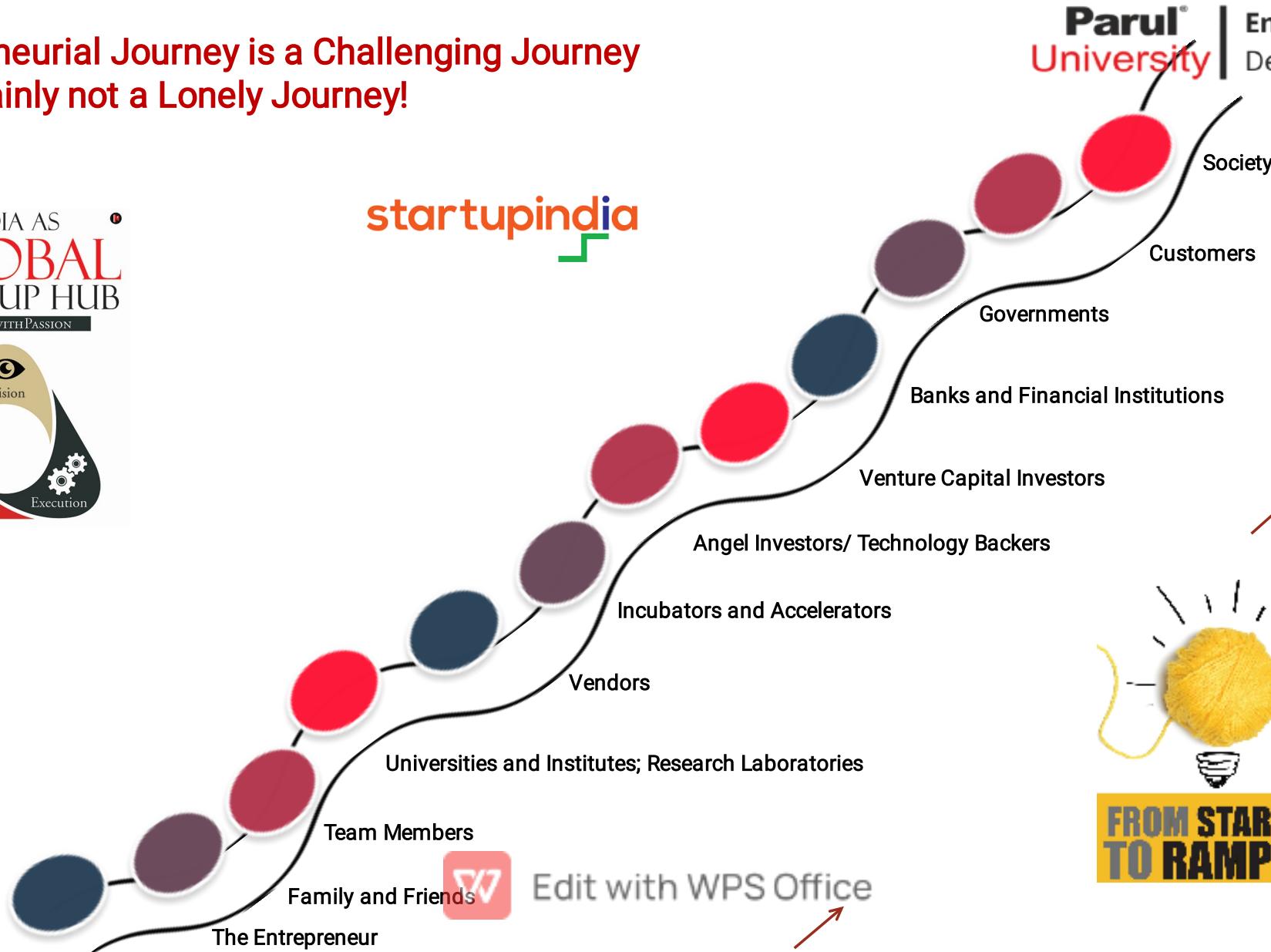


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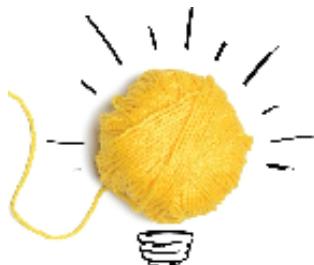
# Entrepreneurial Journey is a Challenging Journey but Certainly not a Lonely Journey!



**startupindia**



**FROM START-UP  
TO RAMP-UP**



# THANK YOU



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