

**Course: BSc in Information Technology**

**Class Bsc in IT 4.2**

**Unit Title: Entrepreneurship & Product Devt**

**Unit Code: CIT 4201**

**Facilitator: DR. Rosemary Kagundu**

**Week 1 : Nov 30<sup>th</sup> 2020**



## Course purpose

The purpose of this course is to equip the learner with sound knowledge and skills to convert an idea into a viable business.

Concept of Entrepreneur and  
Entrepreneurship



Sheetal Wagh



# LEARNING OUTCOMES

- At the end of this unit, the learner should be able to:
  - i. Demonstrate sound knowledge and understanding of the processes of taking a product to the market
  - ii. Demonstrate the ability to prepare a product development plan and a business plan
  - iii. Demonstrate a scholarly approach of product development and project management and evolution and use of the most suitable concepts and technology



- i. Illustrate ability to carry out research into customer and market requirements and their analysis to translate the requirements into product specification
- ii. Apply knowledge of selection of resources, production processes and considerations of sustainability issues in product development



- **COURSE DESCRIPTION**

Introduction: New product Development; Reasons for developing new products. New Product Development Process. Business analysis. Product development: Product Design; product prototyping; Test Marketing. Commercialization. Entrepreneurship: Business planning; Business environment: Macro & Micro Environment, Key Legal issues, Ownership; Tax issues; Intellectual property Rights; Governance – Quality of ICT. Critical issues in small business management; Raising capital and other business resources, Cash Flow management; HR Management. Management skills: Handling Multitasking, Evolving small business into a business system, Soft skills. Branding. Marketing of services



- **Teaching methods**

The method of instruction will be :  
lectures, group and individual practical assignments  
interactive tutorials, presentations and demonstrations.  
Lectures: 3 Hours per week.

- **Course assessment**

• Continuous assessment test	20%
• Assignments	10%
• End of semester examination	<u>70%</u>

- **Total** 100%



- **Key text book**

1. Johnson, K. D. (2015). The Entrepreneur Mind. Jaico Publishing House.

- **Reference text books**

1. Drucker, P. (2014). Innovation and entrepreneurship. Routledge.
2. Freytag, A., & Thurik, A. R. (Eds.). (2010). Entrepreneurship and culture. Heidelberg: Springer.

- Skogen, K., & Sjøvoll, J. (Eds.). (2010). Creativity and innovation: Preconditions for entrepreneurial education. Tapir Academic Press.

- **Journal**

- Journal of Small Business and Entrepreneurship
- Journal of Innovation and Entrepreneurship



# Introduction



## Introduction





- **Definition of entrepreneurship**
- Definition has evolved over years and has been defined differently by scholars

Richard Cantillon ( 1725	An Entrepreneur is a person who undertakes to do a job
Adam Smith (1776)	An Entrepreneur is a person who acts as an agent in transforming demand into supply
Peter Drucker (1964)	An Entrepreneur is a person who seraches for change, responds to it and exploits opportunities
Schumpeter (1965)	An Entrepreneur is an individuals who exploits market opportunity through technical and/or organizational innovation



## Entrepreneurship

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## *Benefits of Entrepreneurship*

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### The opportunity to:

- Create your own destiny / own boss / Pursue own idea.
- Make a difference.
- Reach your full potential.
- Reap impressive profits / Financial benefits.
- Contribute to society and to be recognized for your efforts.



## *Drawbacks of Entrepreneurship*

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- ❖ Uncertainty of income.
- ❖ Risk of losing your entire investment.
- ❖ Long hours and hard work.
- ❖ High level of stress.
- ❖ Complete responsibility.



# Working definition

## Definition - Entrepreneur

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- ❖ Entrepreneur is an individual who establishes a new entity to offer a new product or service into a new or existing market, whether it is for a profitable or non-profitable outcome.
- ❖ One who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying opportunities and assembling the necessary resources to capitalize on them.



## Definition - Entrepreneurship

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- ❖ Entrepreneurship is the **process** of **seeking businesses opportunities** under **conditions of risk**.
- ❖ Process of **creating something new** and **assuming the risks and rewards**.
- ❖ Entrepreneurship is the **process of creating something new of value** by devoting the **necessary time and effort**, by accepting and acknowledging the **necessary risks** (**financial, psychological, and social**), and receiving the resulting rewards(monetary and personal satisfaction).



## Definition – Entrepreneur and 10 Key action roles

### Entrepreneurs

are creative and innovative

are persons who makes significant difference

Spot and exploit opportunities

Find resources and competencies to exploit opportunities

are good team builders and networkers

are determined in the face of adversity and competition

Manage change risk

Have control of the business

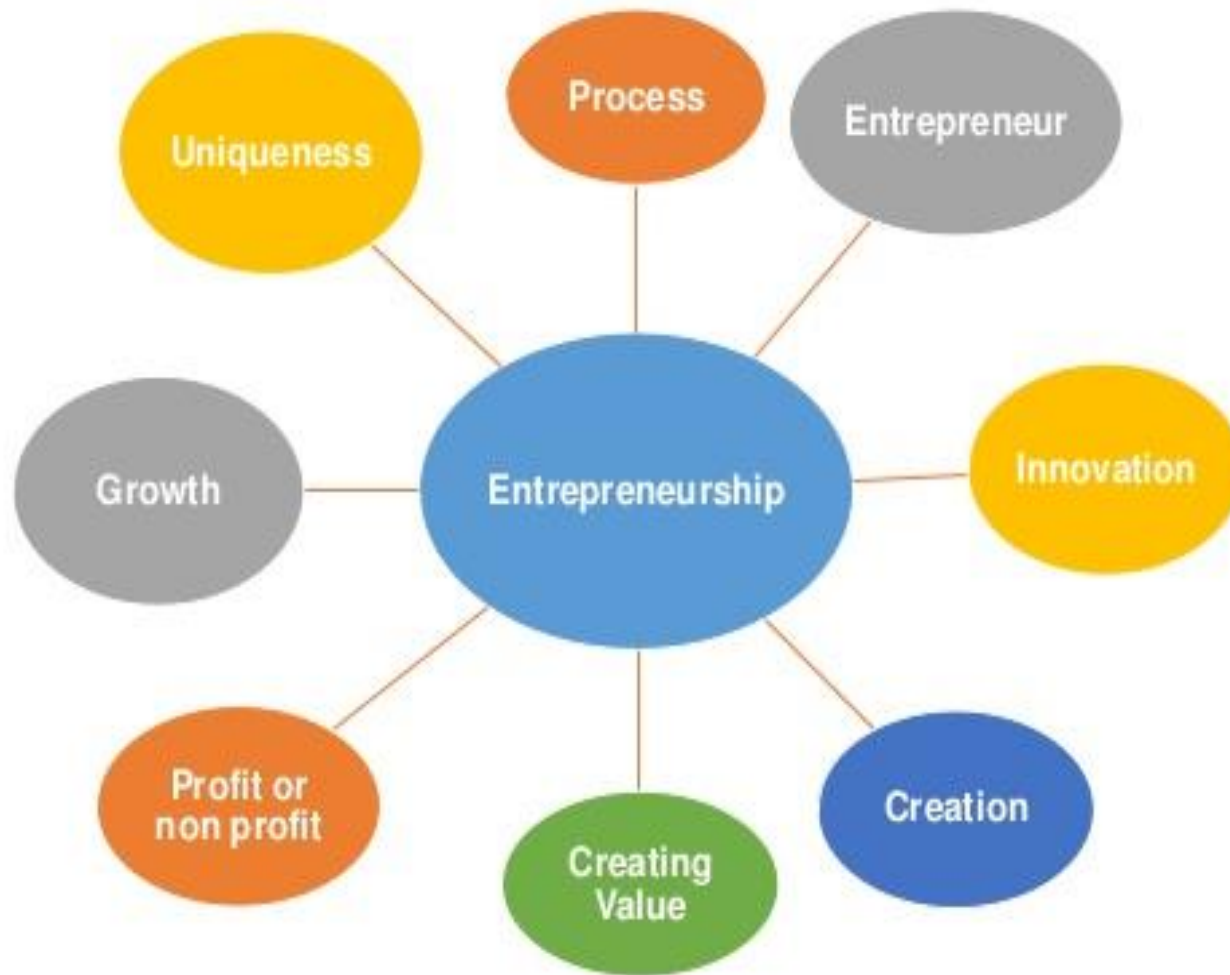
Puts customer first

Creates capital





## Characteristics of Entrepreneur





## Characteristics

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### Personal Initiative

Who has strong personal initiative is able to act immediately on available opportunities and choose best strategy when he faces a problem.

### Seize Opportunities

Identifies and exploits business opportunities for sustainability.

### Information seeker

Gather and Analysis the information pertaining to the market.

### High Work Quality

Best way possible to produce products of the best quality.



## Characteristics

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### Commitment towards work

Taking full responsibility in completing a task.

### Efficient

Use/Apply business information and management methods to improve his efficiency in business.

### Systematic Planning

Arranging business strategies to achieve business goals.

### Creative Problem Solving

Smart steps to solve the problems / looking and thinking of innovative new ideas / creative problem solving methods.



## Characteristics

### Self Confidence

Feeling of confidence towards his capability in solving certain tasks and challenges.

- ✓Vision
- ✓Knowledge
- ✓Desire to succeed
- ✓Independence
- ✓Optimism
- ✓Value addition
- ✓Innovation
- ✓Risk taking
- ✓Decision Making
- ✓Leadership
- ✓Business planning
- ✓Organization building
- ✓Self confidence
- ✓Hard working



## Characteristics

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- ✓ Often operates on the frontiers of technology so understand multiple aspects of the environment.
- ✓ Has a vision.
- ✓ Possesses flexibility, Problem solving skills and uses multi-disciplinary approach.
- ✓ Encourages open discussion and team work.
- ✓ Builds a coalition of supporters.



## E-Traits / “Type E” personality

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### Common Traits of Entrepreneurs:

- ❖ Aggressively pursues goals; pushes self and others.
- ❖ Seeks autonomy, independence and freedom from boundaries.
- ❖ Very focused.
- ❖ Acts quickly, often without deliberating.
- ❖ Pursues simple, practical solutions.
- ❖ Willing to take risks; comfortable with uncertainty.
- ❖ Exhibits clear opinions and values; has high expectations.
- ❖ “just do it” Positive, optimistic; communicates confidence.





# Knowledge & Skill requirements for entrepreneurship

## Knowledge and Skill Requirements

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### Technical Skills

- ✓Writing/Oral
- ✓Listening
- ✓Ability to organize
- ✓Interpersonal skills
- ✓Team player

### Business Management Skills

- ✓Planning & Goal setting
- ✓Decision Making
- ✓Human resources
- ✓Marketing/Finance/Accounting
- ✓Management

### Entrepreneurial Skills

- ✓Inner control/Disciplined
- ✓Risk taking
- ✓Innovative
- ✓Change oriented
- ✓Ability to Manage change



# Characteristics of successful entrepreneurs

## *Characteristics of Successful Entrepreneurs*

### Personal Characteristics

- Courage
- Creativity
- Curiosity
- Determination
- Discipline
- Responsiveness
- Enthusiasm
- Flexibility
- Honesty
- Patience
- Responsibility

### Skills

A skill is an ability that's learned through training and practice.

- Business Skill
- Communication Skill
- Computer Skill
- Decision-Making and Problem-Solving Skills
- Mathematical Skill
- Organizational Skill
- People Skills



## Characteristics of an “IDEAL” entrepreneur

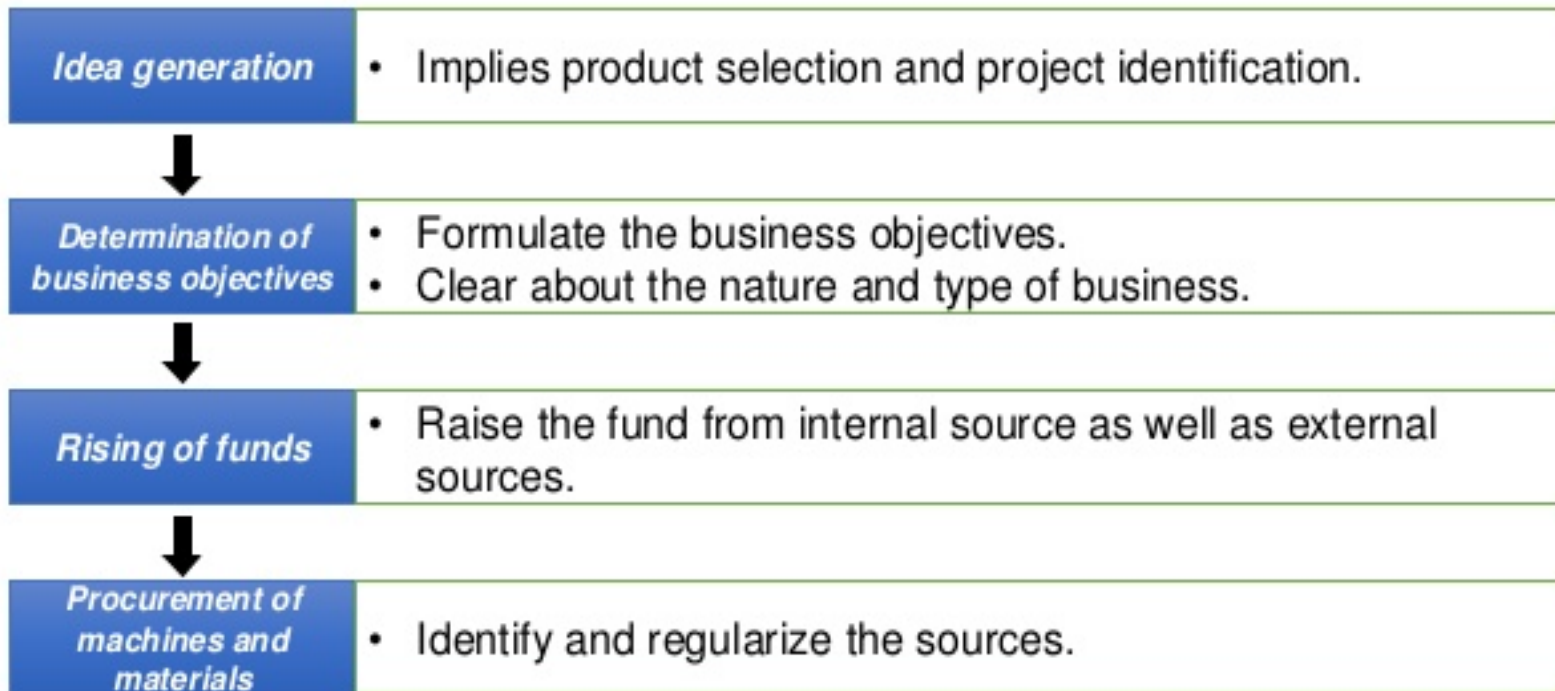




# Functions of an entrepreneur

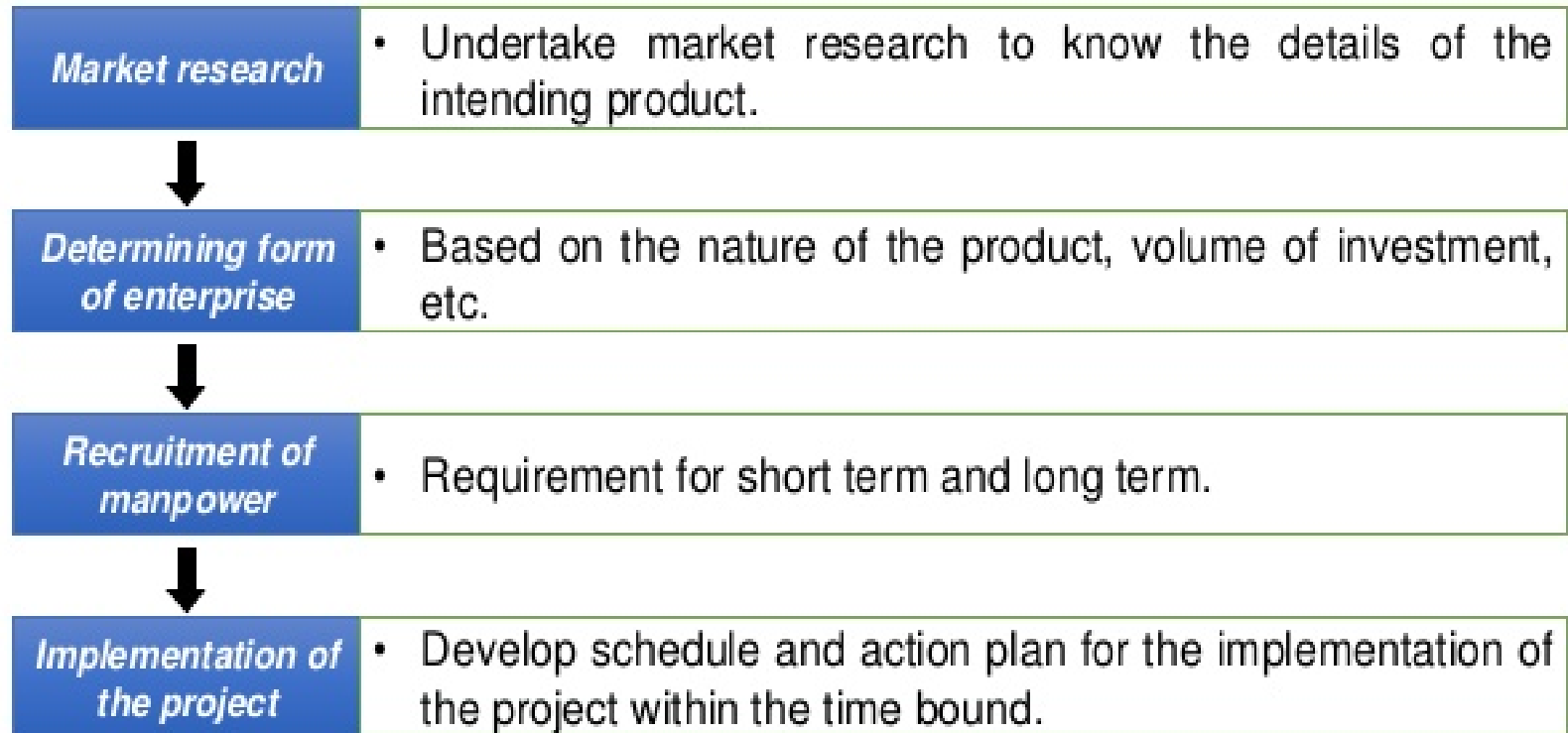
## *Functions of Entrepreneur*

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## *Functions of Entrepreneur*

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# Difference between entrepreneur and Manager

## *Entrepreneur v/s Manager*

Factors	Entrepreneur	Manager
Decisions	Strategic.	Day to day.
Risk	Assumes risk and uncertainty.	Careful / avoid.
Rewards	Profits, which are highly uncertain and not fixed.	Salary which is certain and fixed.
Innovation	Acts as innovator / change agent.	A manager simply executes plans prepared by an entrepreneur.
Role	Start-up.	Implementation.
Time-span	Long term.	Short or medium term.
Failures and mistakes	Deals with them as learning experience.	Strives to avoid them.



# Intrapreneurs Vs Entrepreneurs

## INTRAPRENEURS

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An intrapreneur - “any of the dreamer who do”.

- Those who take hand on responsibility of creating innovation of any kind within the organisation.
- The intrapreneur may be creator or inventor but he is always a dreamer who finds out how to turn an idea into a profitable reality.



## INTRAPRENEURS v/s ENTRAPRENEURS

	Intrapreneurs	Entrepreneurs
<b>Dependency</b>	He is dependent on the entrepreneurs i.e. owner	Independent
<b>Risk</b>	He does not fully bear the risk involved in the organization	Entrepreneurs bears the risk involved in the business.
<b>Operation</b>	An intrapreneur operates from inside.	An entrepreneur operates from outside.
	Intrapreneurs takes the responsibility of creating innovation	Entrepreneurs converts the ideas into viable opportunities.



# Why do small businesses fail ?

Reasons why many small businesses fail.

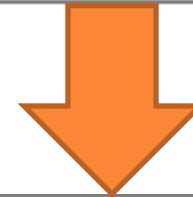


# Why study entrepreneurship ?

- Think about this !



A national Economic **Survey** report by the Central Bank of **Kenya** (CBK) in 2017 indicated **SMEs**;



- constitute 98 % of all business in **Kenya** ;
- create 30 % of the **jobs** annually
- contribute** 3 % of the GDP in the country





# Failure of SMEs in Kenya

- A survey in 2016 by Kenya National Bureau of statistics indicated in the National MSME Survey that approximately 400,000 micro, small and medium enterprises (MSMEs) did not get to celebrate their second anniversary in the last five years after their formation raising concern over sustainability of this critical sector.





- 46 % of the MSMEs surveyed were reported to have died in their first year of establishment.
- The survey found that most MSMEs closed because of increased operating costs, declining income and losses incurred from the business amongst many other factors

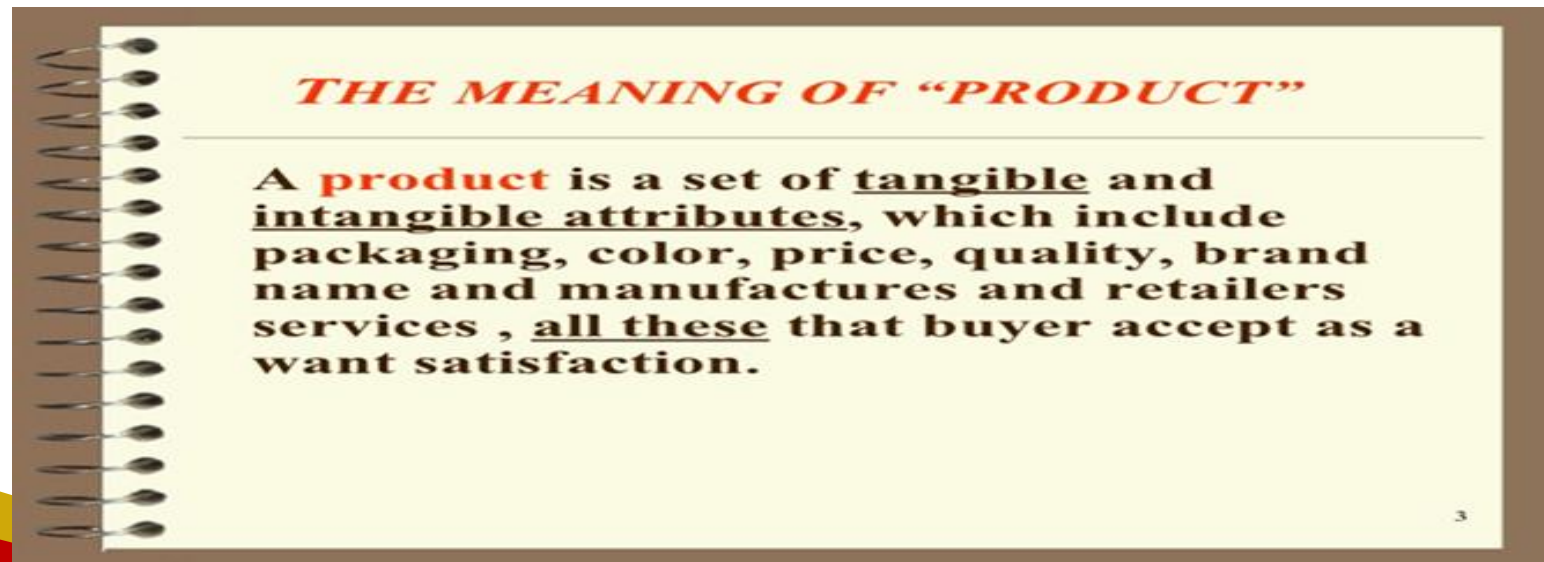


# Introduction

- **New product development (NPD)** is the term used to describe the complete process of bringing a new product to the market.

## What is a product ?

A product is a set of benefits offered for exchange and can be tangible that is, (something physical that you can touch) or intangible (like a service, experience, or benefits).





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# New Product

## New Product



**A product new to the world, the market, the producer, the seller, or some combination of these.**



# What is new Product

A new product is a product which is totally new in concept.  
**Any product** which is perceived by the customer as being new.

A new product can be categorize into :

Truly  
new  
product.

Innovated  
product from  
the existing  
one.

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# Importance of New Product Development

To assure a firm's survival, new products may:

Offer differential advantages

Lead to sales growth or stability

Increase profits and control

Reduce risk through diversity

Improve distribution

Exploit technology

Utilize waste materials

Respond to consumer needs

Be a result of a government mandate



# THANKS!

