

## LESSON PROPER

### Innovation and Ideas

Entrepreneurship as a field of study is very common among universities. Degree programs or short courses on Entrepreneurship are offered almost in all campuses with some of them applying a practicum program that trains the students on the actual hands on experience of putting up and managing a small scale enterprise. Because of this development, start up businesses and even existing businesses have to be more innovative and creative in how they do business so that they may remain competitive. Hence an entrepreneur should have creative skills in order to identify opportunities that may be the start of something big for them. Opportunity identification is the first step for all entrepreneurs for this is the stage that their ideas come forth into the light however it has to be partnered with risk taking abilities and confidence so that the ideas will not merely remain as ideas but will come to be realities.

In the process of identifying opportunities, the creativity and innovative talent of the entrepreneur is now put to test. But, entrepreneurs must also remember that being innovative does not end once the business has begun. For as the enterprise now become part of a dynamic business environment, all the more the entrepreneurs have to continue innovating either the product or service they offer or in the manner of how they do business. Given this premise, the study came about with the intention of determining if local entrepreneurs are applying some form of innovation in their business either in their final product or in the operations. In order to accomplish the objective, the study searched for willing local entrepreneurs through a snowball sampling technique. The limitations set for the study was that the respondents had to be located within Metro Manila to facilitate the data gathering process. With 80 identified willing respondents located within Metro Manila, their profile in terms of their form of ownership, company size, location and industry category were also established. However, with a non-probability technique used in the sampling method, one major limitation of the study is that its findings would only be applicable to the sampled respondents and cannot be used to generalize the same for all entrepreneurs.

#### 4.2 Entrepreneurial Mindset (Filipino Entrepreneurs)

By conducting this research design of the study is descriptive in nature as it merely presents the profile of the selected local entrepreneurs in terms of their company size, form of ownership, industry category and location. Form of ownership was categorized either as sole proprietorship, partnership or corporation. To establish validity of their form of ownership, copies of their business registration were requested. The basis of company size was the asset of the business that was given by the firm owners themselves. Though most of them were wary in declaring their actual asset size hence, estimates were allowed. Given their claims, the company size was categorized into four namely; micro-scale enterprises with assets ranging up to three million pesos; small scale enterprises with assets ranging from P 3,000,001 to P 15 million pesos; medium scale enterprises with assets ranging from P 15,000,001 to P 100 million pesos and large scale enterprises with assets more than P 100 million pesos. As for the industry categories, only two were considered to simplify the classification and they are either belonging to the service category or manufacturing category. With regards to their location, it was categorized according to the four districts within Metro Manila namely: the Capital District (Manila); Eastern Manila District (which includes the areas of Mandaluyong, Marikina, Pasig, Quezon City and San Juan); Southern Manila District (which includes the areas of Las Pinas, Makati, Muntinlupa, Paranaque, Pasay, Pateros and Taguig) and lastly, the CAMANAVA District (which includes the areas of Caloocan, Malabon, Navotas and Valenzuela)

Furthermore, the study presents a description of the local entrepreneurs with regards to whether they have applied some form of innovation in their business for the last three years. This was determined through an interview process among the owners of the business themselves. If the owner was not available at the time of the interview, a representative of the business was considered. For establishments that claimed to have applied innovation within the past three years, they were further asked as to where specifically was it applied either in the product or service offerings or in the operations of the business. With the data gathered, analysis was done using frequency and percentage distribution as the medium of analysis

in order to present merely a profile of the selected local entrepreneurs as well whether the respondent firm had applied innovation within the past three years.

#### 4.2.1 Results status and Discussion

##### Form of Ownership

Table 1 Company Profile in terms of Form of Ownership

Form of Ownership	F	%
Sole Proprietorship	5	6.25
Partnership	1	1.25
Corporation	74	92.50
<b>Total</b>	<b>80</b>	<b>100</b>

Based on the results, majority of the respondents are corporations (92.50) while 6.25% are sole proprietors and there is one respondent that have a partnership form. There is no reason behind the distribution of the companies with regards to their form of ownership since they were selected through snowball and purposive sampling technique. However, it is interesting to note that all of the respondents that participated in the study are legally registered with the corporations making up the big bulk of the group.

Table 2 Company Profile in terms of Company Size

Company Size (Assets)	F	%
Micro	33	41.25
Small	26	32.50
Medium	15	18.75
Large	6	7.50
<b>Total</b>	<b>80</b>	<b>100</b>

Based on the results of table 2, majority of the respondents are classified to be small enterprises (this have already combined both the micro and small scale as one) with a total of 73.75% out of 100%, This validates statistical reports of the Department of Trade and Industry to which results would show that majority of the registered businesses are considered to be small scale enterprises with assets ranging up until fifteen million pesos.

Table 3 Company Profile in terms of Industry Category

Industry	F	%
Manufacturing	20	25
Service	60	75
<b>Total</b>	<b>80</b>	<b>100</b>

With only two categories considered for industry classification in order to simplify the listing, results shows (table 3) that majority of the company respondent are in the service type of industry. This was further clarified as to what type of service they offer and their responses range from providing personal and/or professional or business type of services.

Table 4 Company Profile in terms of Location

District	F	%
Capital District	20	25
Eastern Manila District	27	33.75
Southern Manila District	21	26.25
CAMANAVA	12	15
<b>Total</b>	<b>80</b>	<b>100</b>

Based on the results of table 4, the respondents came from all over Metro Manila with majority of them located within the Eastern Manila District (33.75%) followed by the Southern Manila District (26.25%) and the Capital District with 25% and the CAMANAVA district with 15%. Again there is no specific reason for the distribution of the firms in terms of location except that these establishments were the willing respondents after having been referred for the purpose of the study.

**Table 5 If the Establishment has Applied Innovation within the past three years**

<b>Have Innovated Within the Past 3 Years</b>	<b>F</b>	<b>%</b>
Yes	37	46.25
No	43	53.75
<b>Total</b>	<b>80</b>	<b>100</b>

The respondent companies were asked if they have applied innovation in their business within the past three years and based on the results, majority of them 53.75% said they have not. This is not surprising since innovation as a mind set is not yet fully developed among our local entrepreneurs. This is probably one of the reasons as to why most of these small scale firms are not perpetuated in the next generations since they may be pushed out of the market by companies who are more aggressive in innovating.

However such a claim would require further studies and in fact is one of the areas of future research using these results as one of its basis. Based on the 46.25% establishments that claimed to have applied innovation (from table 5) within the past three years, they were asked to clarify as to what type of innovation was done either in the product or service that they offer or in the operations of the business. Given the results, majority said that the innovation happened in their operations either in the process that they use in order to make the product or deliver the service or in the after sales service that they provide to their customers.

#### **4.3 Team Formation (Conclusion)**

Based from the results, the following conclusions are arrived at:

4.1 On the company profile: majority of the company respondents are small scale service type of corporations located in the Eastern Manila District.

4.2 On the aspect of applying innovation within the past three years, majority claimed that they have not done any form of innovation. Though this may be expected particularly among small scale type of businesses however this is also an area of concern especially if we want to promote technopreneurship in the country. If majority of the registered businesses are small scale in nature and are also not applying innovation, then we may expect that they may not last as long they want to simply because they would be pushed back by firms applying innovation in their business. The results of this study can be a take off point for future research on how to create a mind set of innovative entrepreneurs so that in spite of their size and nature of business operations, innovation is still applied and will somehow assure them of a spot in the competitive business environment.

4.3 On the aspect of what type of innovation was done, majority claimed that it was in their operations. This result simply shows that being innovative is not limited to always in the final output of a business but is also applicable in how the business operates. Therefore, the results actually serves as an inspiration to all entrepreneurs in encouraging them to apply innovation since they should not be limited to just concentrating on the final product of their firm. Given the results of the study, the following are the areas of recommendation:

a. For the company respondents particularly for those who have not been applying any form of innovation, it is recommended that they review how they do their business and check to see in what aspect can innovation be applied. They should not be complacent in their thinking that they do not need to apply any form of innovation. It is recommended that they consider

innovating either in their final output or in how they operate so that they may become more efficient and effective in doing business.

b. For the company respondents that claimed to be applying innovation, it is recommended that they continue what they have started for given the circumstances of the times now, innovation is really a must for businesses.

c. In case the study will be undertaken again, it is recommended to apply a probability sampling technique so that results may be used to generalize conditions for all entrepreneurs. At the same time, using a data base, there may be more respondents included in the study.

d. For areas of future research it is recommended to consider the following:

A Comparative Study on the Innovation Practices between Small Scale and Large Companies

A Study on the Impact of Innovation to the Company Performance of Selected Small and Medium Scale Enterprises

A Comparative Study of the Innovation Practices between Manufacturing and Service Type of Businesses

A Comparative Study of the Innovation Practices Among Selected Establishments all over the Country