

Innovation and Entrepreneurship: Lecture 8

Course Instructor:
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Syllabus

Course Content:

Unit I: Introduction to Entrepreneurship: Entrepreneurs; entrepreneurial personality and intentions - characteristics, traits and behavioral; entrepreneurial challenges.

Unit II: Entrepreneurial Opportunities: Opportunities. Discovery/ creation, Pattern identification and recognition for venture creation: prototype and exemplar model, reverse engineering.

Unit III: Entrepreneurial Process and Decision Making: Entrepreneurial ecosystem, Ideation, development and exploitation of opportunities; Negotiation, decision making process and approaches, Effectuation and Causation.

Unit IV: Crafting business models and Lean Start-ups: Introduction to business models; Creating value propositions-conventional industry logic, value innovation logic; customer focused innovation; building and analyzing business models; Business model canvas, Introduction to lean startups, Business Pitching.

Unit V: Organizing Business and Entrepreneurial Finance: Forms of business organizations; organizational structures; Evolution of Organisation, sources and selection of venture finance options and its managerial implications. Policy Initiatives and focus; role of institutions in promoting entrepreneurship.





- Starting a business is often as much about making mistakes and learning from them
- If you learn from mistake then you will do differently if you were to do it all again.



A hand is shown from the wrist up, pointing its index finger upwards. The hand is positioned in front of a blurred background of colorful bokeh lights. Overlaid on the hand and background is a semi-transparent yellow rectangular box containing the text "START YOUR BUSINESS" in a bold, dark blue, sans-serif font.

START YOUR BUSINESS

Starting your own business is a big step to take.
If you want to start your own company – so make sure your idea is strong



OUTLINE of LECTURE 8

- Pattern identification and recognition for venture creation:
Developing Our Business Prototype
 - Concept
 - Strategy
 - Product and Services
 - Market Survey
 - Selecting the Business Structure
 - Start Business: Launch Prototype
 - Exemplar Model
- Reverse Engineering



Business Prototype

- Business Concept
- Business Strategy
- Products and Services
- Market Survey
- Human Resources
- Selecting the Best Business Structure



Basic Business Concept

- Here you can list:
- In which industry you will operate in?
- What is your business structure?
- What is your particular product or service?
- How you plan to make your business a success?



Business Strategy

- Business Strategy includes
- What is the specific actions you are planning to take?
- What is the goals of the business?
- How you plan to achieve your goal of Business?



Products and Services

- This is where you need to go into more detail about what you plan to offer.
- As part of your business plan you should do an analysis of your competitors.
- This will help you plan better your sales proposition and put a solid marketing plan together.



Market Research

- This section is all about your marketing.
- Start by identifying your buyer's persona (your customers), where they are based, how will you reach them and communicate your offering with them.
- What is your strategy for attracting them, converting them and ensuring they will buy from you on a regular basis in the future.

Market Research

- This is not meant to be a long and detailed biography of each person involved, however it will help you identify the right type of people you will need to meet your business goals.
- A mistake than many small business owners make fairly early on is that they employ people and then create a role for them instead of creating a role and then employ the right person for it.



Market Research

- Market research comes to play once you have written your business plan.
- The idea behind a market research is to help you identify what your potential customers want to buy so you can package your offering the best you can.
- There are 2 main ways to collect market research:
 - **Primary**
 - **Secondary**



Primary Market Research

- **Primary research** uses surveys, test marketing, focus groups and interviews.
- This is extremely important for entrepreneurs as this gives them a chance to get an understanding of the customers and purchasing decisions.
- However, this can be time consuming when the business owner is doing everything by themselves.



Secondary Market Research

- **Secondary Research** involves the summary and collation of existing research in which the data has been collected.
- This is a quicker solution for any entrepreneurs looking to find data about their market as they can access it instantly.



Selecting the Best Business Structure

The four most common business set ups are as follows:

- Sole Trader
- In partnership
- Private Limited Company
- Limited Liability Partnership



Sole Traders

- A sole trader operates a business as an individual.
- They are the exclusive owner of a business and typically the only employee.



In Partnership

- A partnership is a business owned by two or more people.
- A contract is normally written up, which states the type of partnership it is, how much capital each party has contributed, and how much profit and loss will be shared.





- Profit and Loss Sharing
- Utmost Good Faith and Honesty
- Easy Formation
- More Capital Available
- Combined Skills, Talent and Knowledge
- Shared Workload



Private Ltd. Company



Public Ltd. Company



Key Differences



Limited Liability Partnership

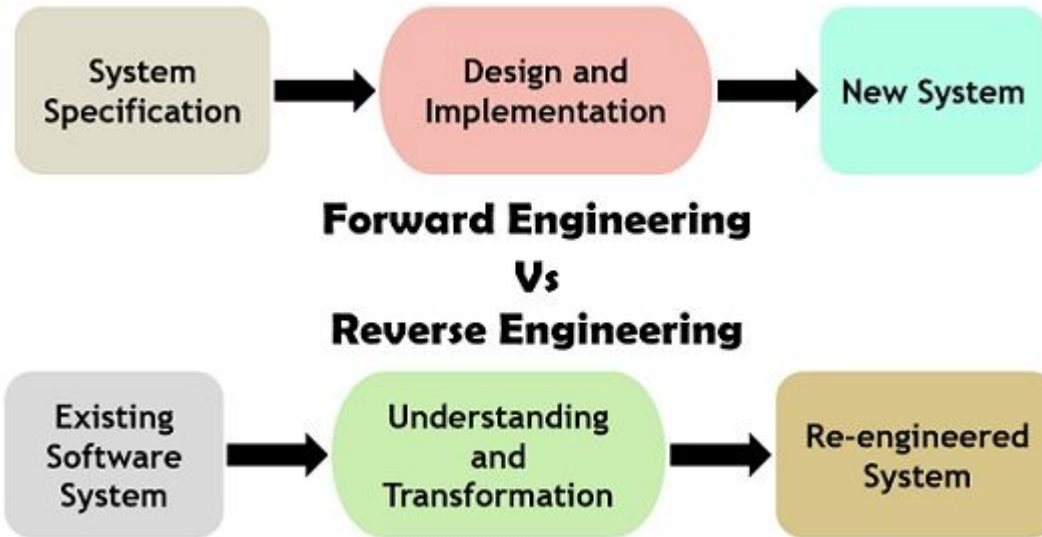
- A limited Liability Partnership is like the general partnership except that it has two classes of partners.
- The general partners of the business have full management and control of the partnership business but also accept full personal responsibility for partnership liabilities.
- The investment made by the limited partners have no personal liability beyond their partnership interest.



Exemplar Model

- **Exemplar theory** is a proposal concerning the way humans categorize objects and ideas in psychology.
- It argues that individuals make category judgments by comparing new stimuli with instances already stored in memory.
- The instance stored in memory is the "exemplar".

Reverse Engineering in Software

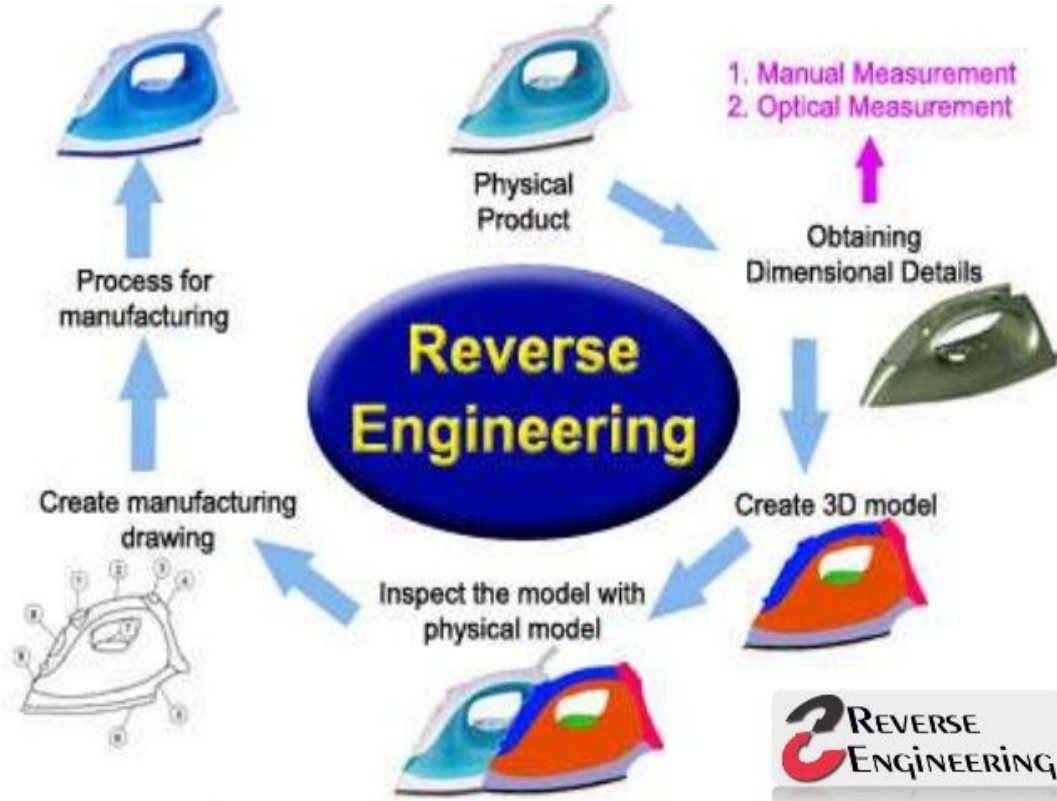


Reverse Engineering

- **Reverse engineering**, also called **back engineering**.
- It is the process by which a man-made object is deconstructed to reveal its designs, architecture, code or to extract knowledge from the object; similar to scientific research, the only difference being that scientific research is about a natural phenomenon.



Reverse Engineering



Reverse Engineering

