



## 2 WHO IS AN ENTREPRENEUR?

It is important to have some notion of the different types, facets and the different motivations of entrepreneurs. There are entrepreneurs interested in local goals, others in broader national or regional global goals, low tech and high tech, serial entrepreneurs meaning that they are doing multiple ventures one after the other, or multiple, entrepreneurs that aim to make multiple adventures at the same time, or even franchise.

It is difficult to understand which ones of the listed above are more entrepreneurs than the others, or engaging in the act of entrepreneurship in a bigger way. Fundamentally, it comes down to the vision of oneself and the idea behind it, that is to say that there is no particular distinction, all of the types presented are entrepreneurs, pursuing big goals and making risks at different levels. It is important to connect who is an entrepreneur with what brings the ideas into action. In the course we talk about the opportunity analysis canvas, that is a map that helps to begin to think about how to develop entrepreneurial thinking and acting. We also talk about the business analysis canvas and what that does to translate some of this ideas into action and we talk about business plans, as explained later.

### 2.1 Behaviours

One topic that has a greater importance than it seems is the entrepreneurial behaviour. Specifically, its important to understand how the entrepreneurial behaviour results and influences our mindset and our motivations and how it is connected to those. Some mentioned in the course are:

- Confidence
- Interpersonal relationship skills
- Social Capital

Confidence is about being concerned with popular opinion, of being approved or putting oneself out there, because self doubt can result in doubts in investors, or partners. But, interpersonal relationship skills play a role in that, for example effective communication sometimes is driven by "likeability". This are aspects that I still need to work on my self, in the

sense of sociability. For instance, participating in a conference without having met anyone and being able to talk and socialize with people there. This because soft skills, typically aren't taught, they need to be worked on throughout our life, in order to be effective they have to be practised with a conscious effort. Thus, by being persuasive and communicating well, people will have more confidence in our own venture idea.

Staying connected with people we know, meeting people in one's environment and being aware of what it is they do, will help build our social capital. This capital measures the size, quality and diversity of the networks. So, it helps to be better informed and it helps to be more efficient because chances are someone that you know can help find more quickly another person you need help from. This says a lot when talking about the relationships one builds during his academic years, that are far more important than they seem at first glance and need to be cultivated throughout our life. Because, at least for me, it is easier to maintain existing relationships then creating new ones.

### 2.2 Risk and Uncertainty

Risk and uncertainty are part of every decision we make, in the decision making process it is important to integrate stakeholders, so as to explore their role in our objectives. Beyond thinking internal about risk, we have to think a bit broadly about what else is in play and what are the external factors that involve that. Entrepreneurs differ from corporate managers based on decision-making factors, because corporate managers prefer to make decisions that are relatively low risk and high gain.

The first time that I understood the difficulty of trying to incorporate innovative ideas in companies was through a series of workshops in Software Engineering class in 2012/2013 , by a group called Entrepreneurs Break [2]. This group of, mostly, former students of IST (Instituto Superior Técnico) started different companies in their industry, and claim that a good idea that doesn't perceive high gain in benefits with low risk will never be accepted in a big company, it is preferable to start a side project and cultivate it.

Perceived risks play a big role in the decision making process, a perceived risk is an almost believed risk, not necessarily objective, that drives the decision. This being said, the success of new ventures, as exemplified in the lectures, certainly relies on choice, fast change and demand and also there's an element of being able to recognize that we are not going to have all the information for making objective decisions.

### 3 INDUSTRY LIFECYCLE

It is important to have some knowledge of the competitive advantage in the market. Additionally, it is favourable to pursue industries that are growing or are in the beginning of the growing curve. By recognizing how industries evolve and what is going to happen as new competitors emerge and standards and norms begin to take hold, one can prepare for this changes. As an example, I study computer engineering and industries around this area are fast paced because there is always new and better technology out there, that if applied correctly can decrease the transaction costs on the market and make a more viable and sustainable business. Furthermore, the complexer the implementation of the idea, the more time competitors will take to mimic that idea and improve it.

As to be expected, I learned in the course that new ventures tend to perform better in new industries, because they have the opportunity to enter a relatively immature market meaning less competition and more room for errors. In case there are not already major competitors in play, it will be easier to attract new costumers and those that are not using the new product.

### 4 BUSINESS MODELLING

It was introduced the concept of business models and how to explore them to give opportunities to bring the idea into action. A generic definition introduced in the lectures is the description of rationale of how organizations create or deliver and capture value. Fundamentally, it is the architecture of how the company is going to work, the selection of the business models we

are going to pursue will change the plan or the company, depends if we are selling a product, licensing, etc.

It is important to understand the correct pricing of a product, and take into account if the customers will keep buying. Therefore, we want a business model that will result in the maximum long term profitability for the company. With the ongoing time spent studying in my Masters course, recurring revenues are the key. Building applications for mobile devices can be done throughout the summer vacations and can help in the process of sustaining a business in the long-term. In case I'm selling an one time product, for example an application for mobile devices, it will be a one time sale. The resulting advertising, currently easily gained by paying a small fee in the current mobile marketplaces, will help reach people world wide and thereby the total revenue for the organization might be greater.

The most important thing to understand is that there is no right answer, no magic business model that will be the right way to do it, but by grasping some of the concepts, the insight will help in deciding the different options out there, and what approaches resulted effectively for others.

#### 4.1 Business Plan

Something that is not usually taught in Engineering courses is how to develop a business and financial plan. They assume a great importance when starting a business, because they allow a compelling way to engage investors and partners. This plans tell us what is it going to take to launch the company, to manage it, market and the vision for the near and long future. This is all done, typically, in less than 20 pages. It could be written in hundreds of pages with a lot of detail about what is the company going to do but is important that is constrained. Because, we have to understand who is the audience, and take into account their attention span that usually is brief, they don't want to spend a lot of time reading immense details.

The business plan also serves as an owners manual, because it forces us to connect the dots

of how does the product binds to the market, to the competition and to the financials. Thus, it can be used as a goal setting instrument.

The teams that we build for academic course projects are usually short term. On account of long term projects the business plan tool helps to focus ideas and keep the team on the right track. This form of thinking is what let companies to think about the value and supply chain of the enterprise, in terms of business processes and what activities can add value to the goals and objectives of a company and what activities do not, as we learn meticulously in Information Systems degree in IST.

## 5 CONCLUSION

This online course helped me to explore and how to identify and develop great ideas into great companies, understand opportunities based on customer needs, assess risk and how to build solid business models. With respect to the assignments although short answer questions tried to reinforce what was taught in the week before, they helped me more in applying those concepts in my venture idea than anything else. Also, they can be used as a starting point to create a company.

Overall the course was very good, the lectures were very accessible to people that don't have a business background. But, this learnings are still a work in progress, I still have to develop my entrepreneurial mindset, evaluation of industries and customers, as well as to refine business model constructions. Furthermore, I would recommend the course to the average Engineer student, as it helps understanding the business more on the side of vision, mission and objective aspects than in the practical implementation sense of the term. Thus, helping to understand how to focus on the drivers of the business, that will help maintain sustainability helping not only future entrepreneurs but also future employees.

## ACKNOWLEDGMENTS

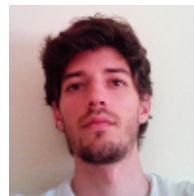
I would like to thank all my colleagues that assisted me and others in the forum of discussions of the course and especially Dr. James V. Green for helping the students in this business venture.

## REFERENCES

- [1] Thomas H. Byers, Richard C. Dorf, Andrew J. Nelson, Technology Ventures: From idea to Enterprise, McGraw-Hill third edition, 2011.
- [2] Entrepreneurs Break website, <http://entrepreneursbreak.com>, (June, 2014).

Which course?!

Never start a sentence with "this" unless it is the continuation of previous paragraph...



**Paulo Figueiredo** Student of Software Engineering and Information Systems Computer Engineering at Instituto Superior Técnico (IST) .

In this type of document (technical), the conclusion should start with a summary of the subject addressed and then should highlight the results.