

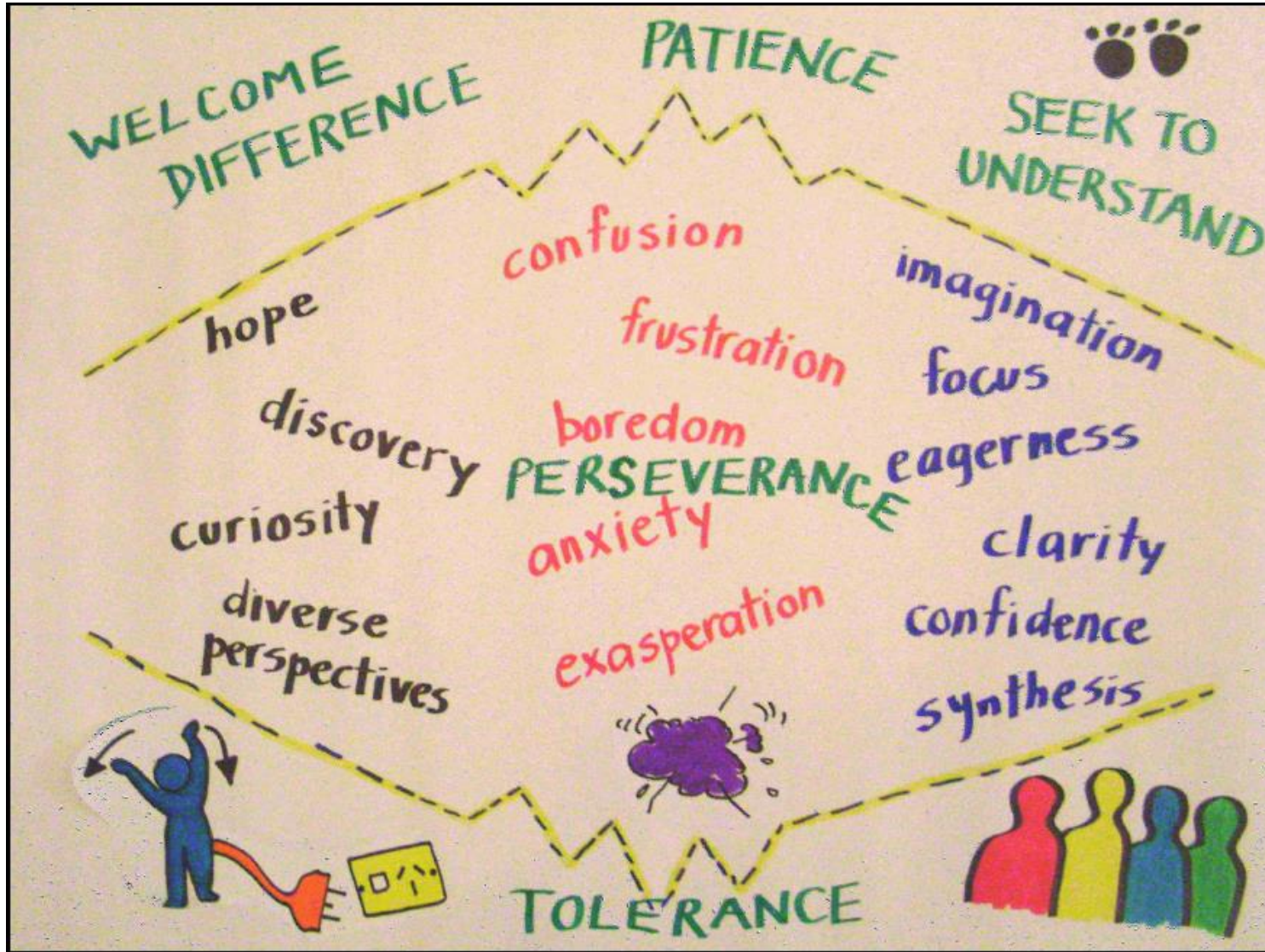
Entrepreneurship as a method

Rajiv Vaid Basaiawmoit

Agenda

- Recap
- Entrepreneurship as a method
- Comparison with the scientific method
- Introduction to Arenas
- Arena – I (Peter)
- JTI – Part II (Helle)
- LEGO exercise
- Gravitalent online game

RECAP



RECAP...



Shane

Venkataraman



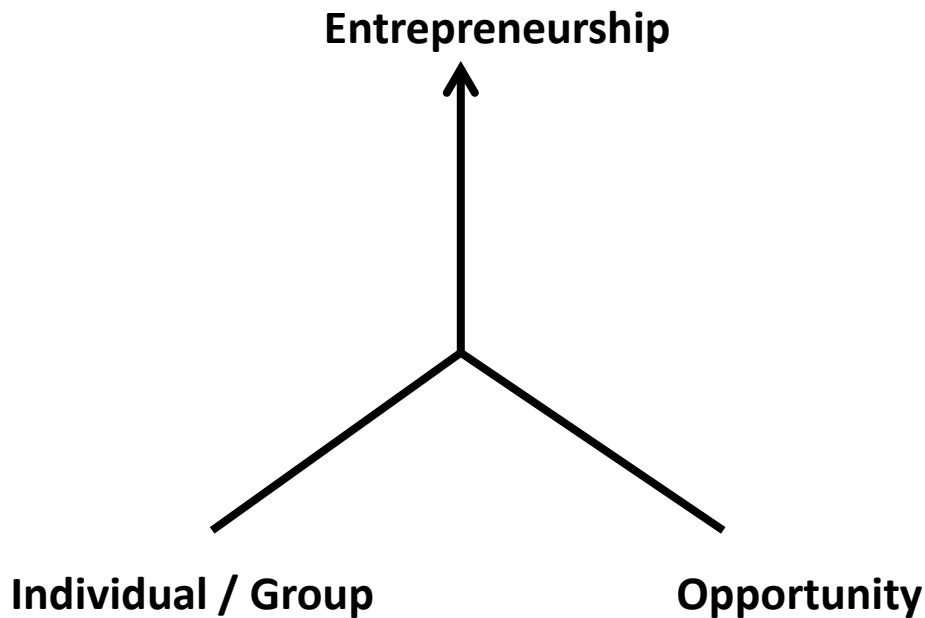
Saravathy

ENTREPRENEURSHIP

“Entrepreneurship is about identifying and creating entrepreneurial opportunities and the exploitation of these opportunities” (A dangerous fusion of Shane & Venkataraman and Sarasvathy)

- It is a process
- It is not just about technology commercialisation...
- It is not just about startups!

ENTREPRENEURSHIP

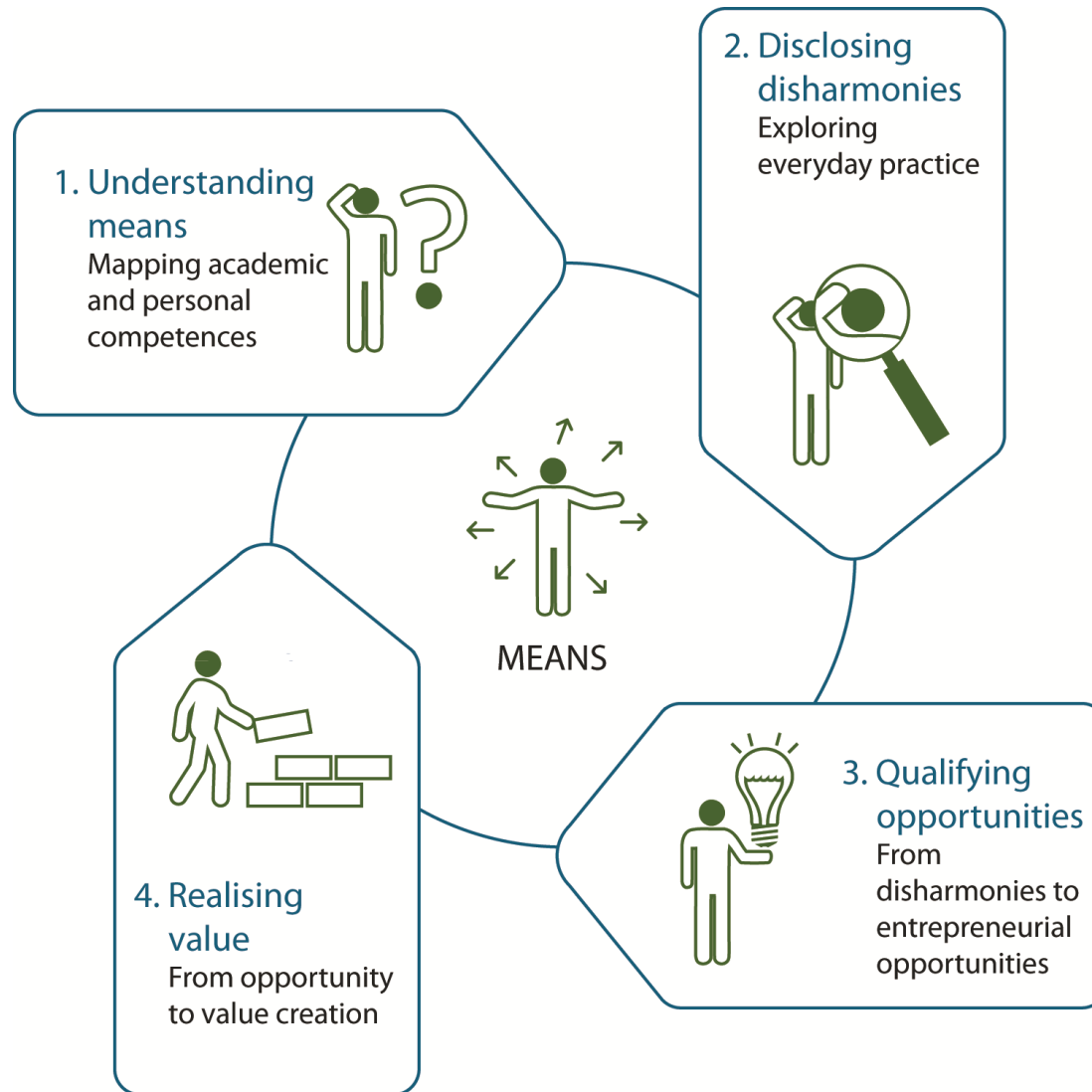


“Entrepreneurship involves the nexus of two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals” -
Shane & Venkataraman (2000, 25: 217-226)

ENTREPRENEURSHIP is a METHOD

- Entrepreneurship can be taught as a distinct method of human problem solving.
- It can be applied to a wide variety of issues central to human wellbeing and social improvements

The Model for Entrepreneurship Education – ME2





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Entrepreneurship as Method: Open Questions for an Entrepreneurial Future

Saras D. Sarasvathy
Sankaran Venkataraman

The Entrepreneurial method is analagous to the Scientific Method

The term “scientific method” is understood as – “the world can be systematically studied and understood in terms that do not include divine revelation or special mystical abilities”.

Table 1: Comparing the Entrepreneurial method with the scientific method (Sarasvathy 2011)

Comparison	Scientific Method	Entrepreneurial method
Similarities in historical development	<p>Early explanations:</p> <ul style="list-style-type: none"> Some special people are able to (are even born to) “read the signs”—from the True Book (of God or Nature) Real science is born when the experimental method of the craftsmen is adopted by the university-scholar and the humanistic literati 	<p>Early explanations:</p> <ul style="list-style-type: none"> Some people are able to (are even born to) see opportunities while others are not University-scholars (whether they are theoretical social scientists or empirical policy researchers) begin to understand what actual entrepreneurs really DO
	<p>Scholars begin to argue that:</p> <ul style="list-style-type: none"> There is no qualitative difference between the processes of revolutionary science and journeyman science—i.e., anyone can learn to do science and do it well 	<p>Scholars begin to argue that:</p> <ul style="list-style-type: none"> Key elements of the entrepreneurial method can be the same for the extraordinarily successful entrepreneur as well as the ordinary entrepreneur—i.e., it can be taught

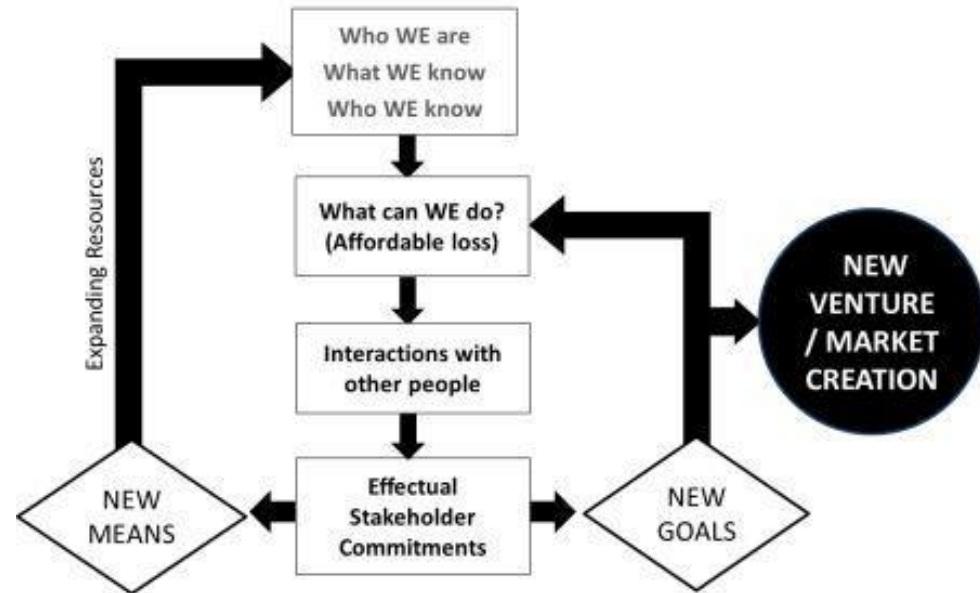
Table 1: Comparing the Entrepreneurial method with the scientific method (Sarasvathy 2011)

Comparison	Scientific Method	Entrepreneurial method
Differences in context	<p>Harnesses the potential of Nature:</p> <p>Purpose:</p> <ul style="list-style-type: none"> To achieve human ends Aims to discover general “laws” — the emphasis is on universality and inevitability <p>Focus is on the objective</p> <p>Mechanisms involve data gathering, formal models, analytical techniques, and testing for correspondence.</p>	<p>Unleashes the potential of human nature</p> <p>Purpose:</p> <ul style="list-style-type: none"> To engender new ends as well as achieve old ones Aims to generate and refine design principles—the emphasis is on locality and contingency <p>Focus is on the inter-subjective</p> <p>Mechanisms involve action, interaction, reaction, transformation, and explicit co-creation</p>
	Dominant logic: Experimentation	Possible candidate for a dominant logic: Effectuation

Comparison of the two methods:



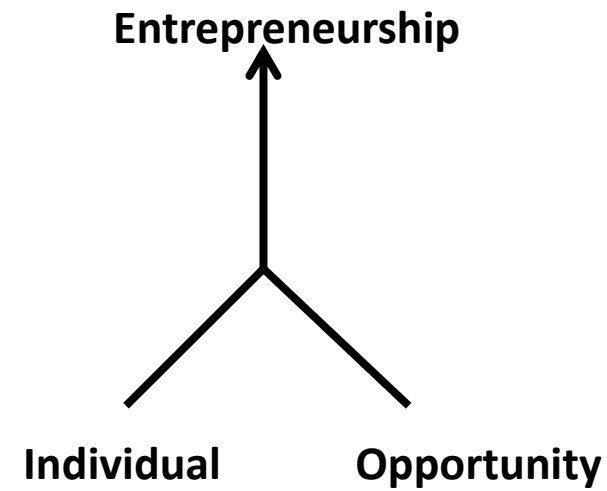
The Scientific method



Effectual logic part of the Entrepreneurial method

Questions that break the Entrepreneur HYPE

- What do Entrepreneurs Do?
 - Generally speaking, they undertake in activities leading to the creation of organizations
 - i.e. they spot "opportunities" to be able to do the above



But where do the opportunities come from?

Are opportunities created or discovered?

- Shane & Venkataramn - Opportunities are discovered
 - The discovery of the telephone created new opportunities for communication, whether or not people discovered those opportunities
- An entrepreneurial discovery occurs when someone makes the conjecture that a set of resources is not put to "its best use" (i.e. the resources are priced "too low", given a belief about the price at which the output from their combination can be sold in another location, at another time or another form)



Opportunities thus exist because of "Information Asymmetry"

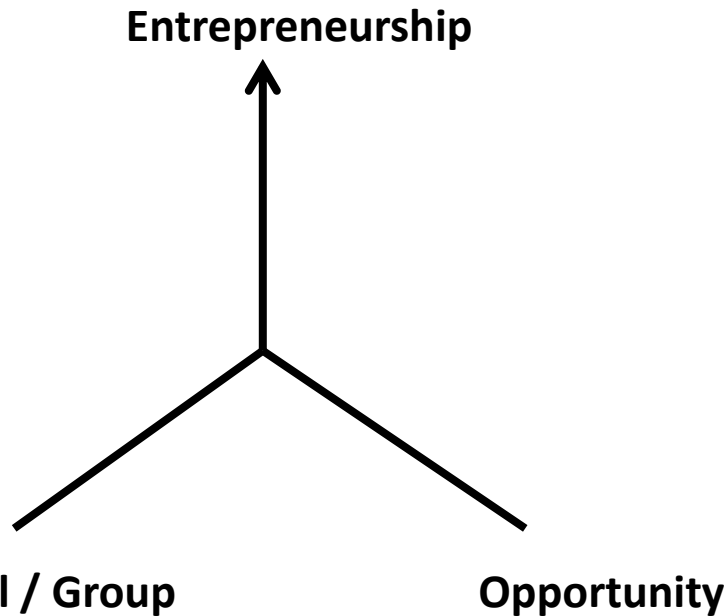
Are opportunities created or discovered?

- Sarasvathy - Opportunities are created by the Entrepreneurial process itself
 - (a) not all entrepreneurial opportunities are created through demographic, regulatory, and institutional changes--some are co-created through the process
 - (b) in fact, some of those demographic, regulatory, and institutional changes themselves result from entrepreneurial drivers, conscious or unconscious, intentional or unintended; and
 - (c) even when opportunities may originate in demographic, regulatory, and technological changes, they are subject to the Panglossian fallacy--namely that they can be claimed to pre-exist the process and deemed "discoverable" precisely because the process discovered them.



“Observe, for instance, the nose is formed for spectacles, therefore we wear spectacles. The legs are visibly designed for stockings, accordingly we wear stockings” - Dr. Pangloss (The Panglossian fallacy)

ENTREPRENEURSHIP



*"Entrepreneurship is about **identifying** and **creating** entrepreneurial opportunities and the exploitation of these opportunities"*

(Fusion of Shane & Venkataraman and Sarasvathy)

"Entrepreneurship involves the nexus of two phenomena: the presence of lucrative opportunities and the presence of enterprising individuals" - Shane & Venkataraman (2000, 25: 217-226)

What about the role of the individual?

How are Markets made?

- * "Man will never reach the moon regardless of all future scientific advances." -- **Dr. Lee DeForest**, "Father of Radio & Grandfather of Television."
- * "With over 50 foreign cars already on sale here, the Japanese auto industry isn't likely to carve out a big slice of the US market."--**Business Week**, August 2, 1968
- * "I think there's a world market for about five computers."--**Thomas J. Watson**, chairman of the board of IBM.
- * "There is no reason anyone would want a computer in their home."--**Ken Olson**, president of Digital Equipment Corp, 1977.
- * "640K ought to be enough for anybody." -- **Bill Gates, 1981**