

# Introduction to Entrepreneurship and Innovation

Leila Rawashdeh  
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## CHAPTER 1

### Introduction to Entrepreneurship

# The Entrepreneurial Process

## Decision to become an entrepreneur

Introduction to entrepreneurship  
Ch 1

## Developing successful business ideas

Recognizing opportunities and generating ideas  
Ch 2

Feasibility analysis  
Ch 3

Developing an effective business model  
Ch 4

Industry and competitor analysis  
Ch 5

Writing a business plan  
Ch 6

## Moving from an idea to an entrepreneurial firm

Preparing the proper ethical and legal foundation  
Ch 7

Assessing a new venture's financial strength and viability  
Ch 8

Building a new venture team  
Ch 9

Getting financing or funding  
Ch 10

## Managing and growing an entrepreneurial firm

Unique marketing issues  
Ch 11

The importance of intellectual property  
Ch 12

Preparing for and evaluating the challenges of growth  
Ch 13

Strategies for firm growth  
Ch 14

Franchising  
Ch 15

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# Chapter 1: Introduction to Entrepreneurship

**There is tremendous interest in entrepreneurship around the world.**

According to the 2015/2016 GEM study, 11.9% of Americans are actively engaged in starting a business or are the owner/manager of a business that is less than three years old.

## **Discussion points:**

- **What is GEM?**
- **What is total *early stage entrepreneurial activity (TEA)*?**

**Global Entrepreneurship Monitor (GEM)**. GEM, which is a joint research effort by Babson College, London Business School, and Universidad del Desarrollo, Santiago, Chile, **tracks entrepreneurship in 59 countries**, including the United States.

Of particular interest to GEM is **total early stage entrepreneurial activity (TEA)**, which consists of businesses that are just being started and businesses that have been in existence for less than three and one-half years.

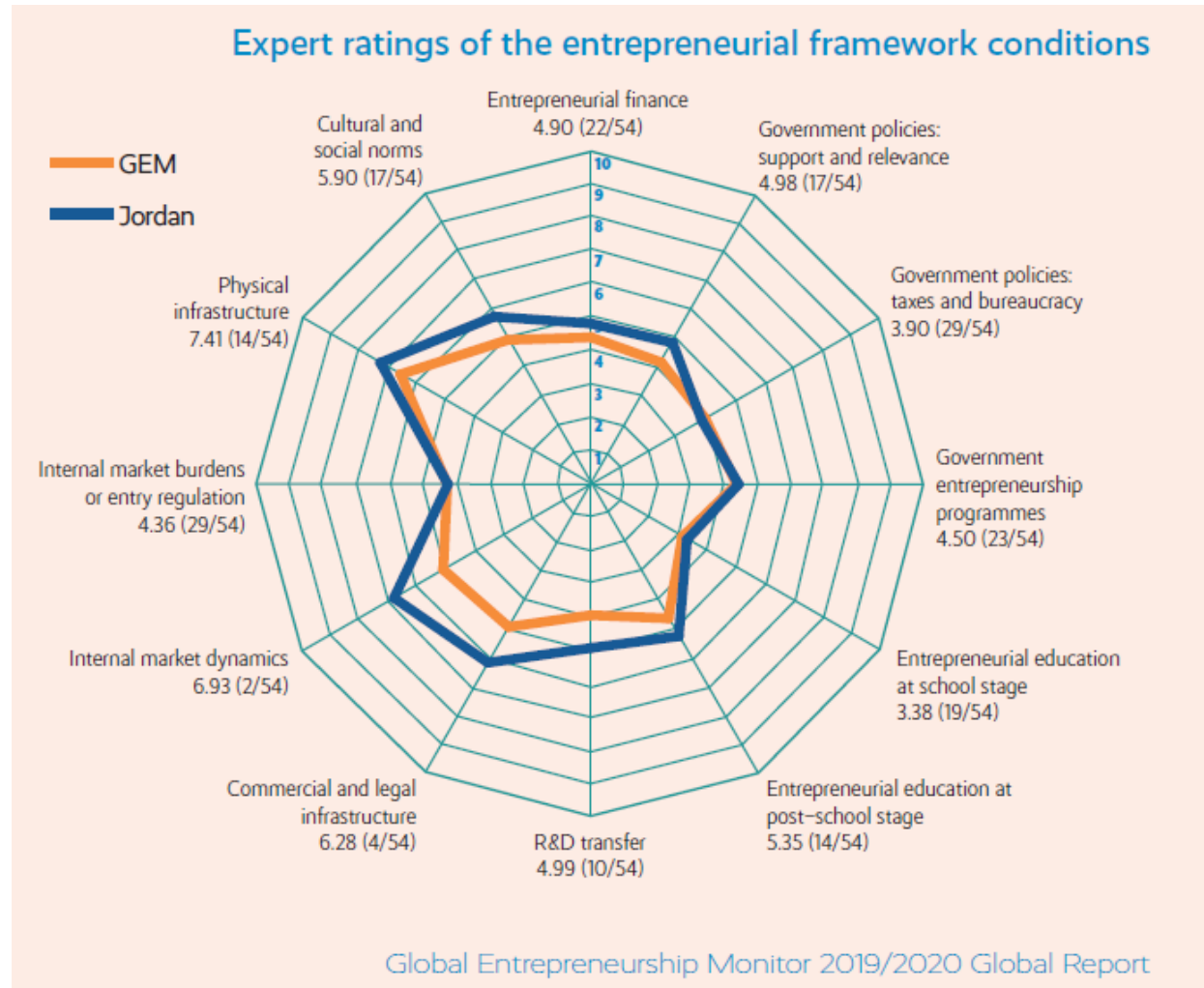
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# Chapter 1: Introduction to Entrepreneurship... cont.

## **Jordan:**

- Early stage entrepreneurial activity is 9% in 2019 (aged 16-65) compared to 8.2% in 2016
  - 40% see opportunities compared to 30% in 2016
  - 54% have fear of failure
  - More than 90% of TEA were motivated to earn a living because jobs are scarce
  - Less than one in 10 exited a business for reasons categorized as positive in Jordan
  - According to a 2019 World Bank survey, taxes remain the predominant barrier to entrepreneurship in Jordan, followed by the laws governing investment in startups, excessive government formalities, obstacles relating to customs laws, and social security. Given these barriers, startup creation is relatively low.
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# Chapter 1: Introduction to Entrepreneurship... cont.



| Business Size | Number of Employees |      |                                 |                                |
|---------------|---------------------|------|---------------------------------|--------------------------------|
|               | US                  | EU   | Jordan / Central Bank of Jordan | Jordan / MIT Industrial Sector |
| Micro         | 1-6                 | <10  | -                               | 1-9                            |
| Small         | <250                | <50  | 5-20                            | 10-49                          |
| Medium        | <500                | <250 | 21-100                          | 50-249                         |

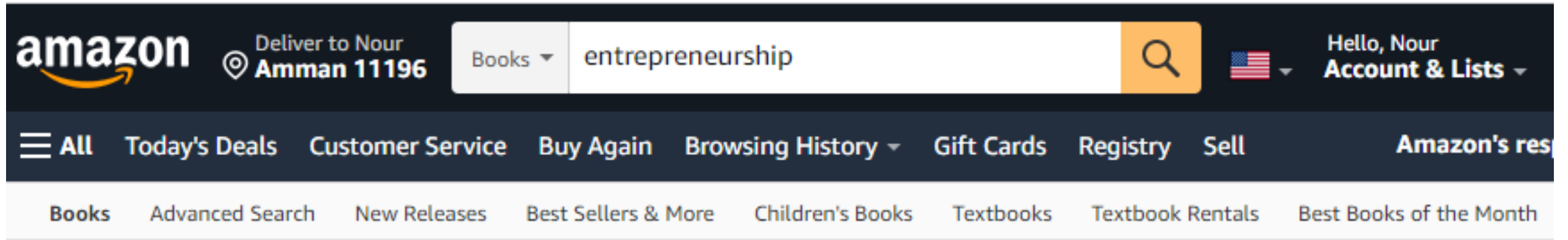
## Discussion points:

- What are the implications of considering startups as SMEs in Jordan?

# Indications of Increased Interest in Entrepreneurship

## Books

- Amazon.com lists over 58,510 books dealing with entrepreneurship and 80,686 focused on small business.



1-16 of over 60,000 results for "entrepreneurship"

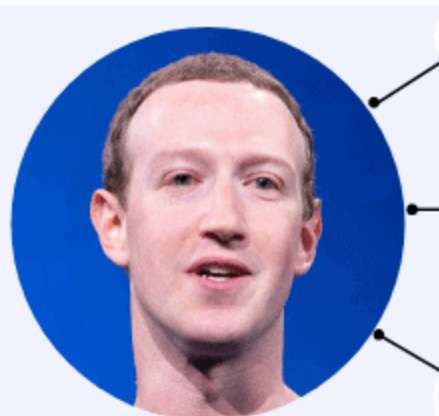
## Discussion points:

- Are there other indicators?

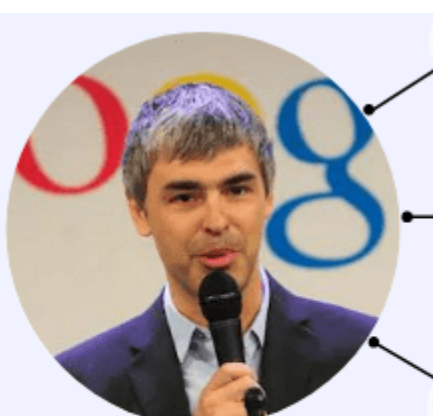
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1



2



3



4



5



6



7



8



9



10

So who is an Entrepreneur?



One day this guy woke up in the morning and said to himself: I'm going to become an entrepreneur.

So he went to the best computer programmer *in the company where he was working* and whispered: would you like to join my company? Then be there... my place... ten o'clock Saturday... and bring some Bagels.

Then he goes to the best guy in finance department and says: bring some coffee.

And then he goes to the best marketing guy and the best IP lawyer with the same invitation.

Ten o'clock Saturday comes around.

They ask: Hey what is your company going to do? The guy replies: build a new computer program.

An hour later, and the business plan is done. The finance guy says he knows where he can get some money. Then he says to their host: So what have YOU done?

What indeed?

He didn't provide the coffee. It wasn't him who brought the bagels. He didn't even provide the idea. But he was the entrepreneur. He made it happen.

# What Is Entrepreneurship?

## Academic Definition (Stevenson and Jarillo)

- Entrepreneurship is the process by which individuals **pursue opportunities without regard to resources they currently control.**

## Alternative View

- Entrepreneurship is the **art of turning an idea into a business.**

## Explanation of What Entrepreneurs Do

- Entrepreneurs assemble and then integrate all the resources needed – the money, the people, the business model, the strategy – to **transform an invention or an idea into a viable business.**
-



**Sima Najjar**

<https://www.linkedin.com/in/simanajjar/?originalSubdomain=jo>



**Penelope Shihab**

<https://www.linkedin.com/in/penelope-shihab-phd-29b14a20/?originalSubdomain=jo>



**Fadi Ghandour**

<https://www.linkedin.com/in/fadi-ghandour-52353b/?originalSubdomain=ae>



**Mohammad Jaber**

<https://www.linkedin.com/in/mohjaber/?originalSubdomain=jo>



**Salah Aloqbi**

<https://www.youtube.com/watch?v=7o6E-9wexo8>



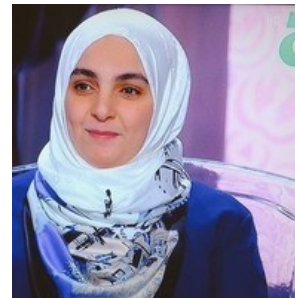
**Fida Taher**

<https://www.linkedin.com/in/fidataher/?originalSubdomain=jo>



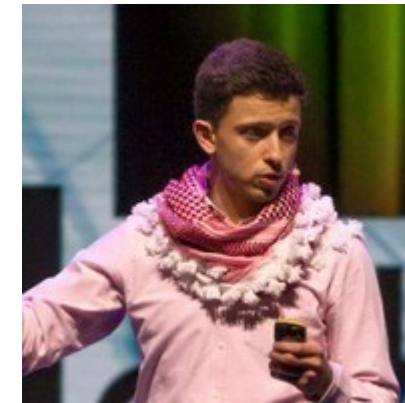
**Mohammad Al-Shaker**

<https://www.linkedin.com/in/mohammed-al-shaker-61a78031/?originalSubdomain=ae>



**shaima albishtawi**

<https://www.linkedin.com/in/shaima-albishtawi-99608b1a/>



**Malek Zuaiter**

<https://www.linkedin.com/in/malekzuaiter/>



**Husam Hammo**

<https://www.linkedin.com/in/hammo/>



Sima Najjar began her YouTube journey in 2012 when she established the region’s first How-To channel “eKeif Videos”. With over 1,000 videos uploaded, Sima was able to organically attract more than 85 million video views and almost 500K subscribers. Her videos are short, fun, practical, and informative.

She later established her Mama Sima channel, a channel dedicated to ‘How-To’ content, that specifically targets young parents. The channel showcases cooking, lifestyle, parenting and arts & crafts hacks. Mama Sima channel garnered over 20 million views and almost 200 thousand subscribers. Her content fills a gap in the local market through short edutainment Arabic videos that answer everyday questions and provide DIY tips.

Over the years, she utilized both of her channels to connect brands, products and services to her viewers. The company depends on an advertising model and a B2B model producing how-to videos for clients’ personal use.

|   |  |
|---|--|
| Project or company name   |  |
| Product offered to customers?   |  |
| Who are the customers?  |  |
| Benefits (value to customers)?  |  |
| Revenue streams?  |  |
| What entrepreneurial characteristic appear? (Passion, tenacity, execution intelligence, product/customer focus) |  |

When Najjar established Ekeif, she was already the founder of [Sims Model Management agency](#). [A year later, she established Pink Dusk, a local design boutique](#) in Amman. Najjar's latest and now fourth venture is a YouTube channel dubbed [Mama Sima](#) that highlights random events of her life with the kids.

Along with her now three companies, Najjar's other occupation was a being a mother of now 4-year-old Farah and 2-year-old Laith.

"It's definitely a challenge to be a working mother, but it's doable if you create your own support system," she told Wamda, stressing on the help she receives from her parents and husband. In order to balance it out, Najjar ended up prioritizing Ekeif and selling her two other companies.

She preferred Ekeif because she could work from home and it was much more flexible than event management.

She is the Co-founder of Dezain Space is a platform for designers (Fashion & product) that offers space, support, mentor-ship, networking and access to investment needed to help them reach international presence through selling and exposure.



## Salah Aloqbi



<https://www.youtube.com/watch?v=7o6E-9wexo8>

<https://fb.watch/bsQa6HAf7Y/>

<http://jordanchalk.com/index.php/factory>

A Jordanian chemical engineer noticed an industry gap in the Kingdom, which eventually led him to a great achievement: Opening a small factory that would eventually become globally competitive.

Salah Oqbi graduated from Jordan University of Science and Technology in 1994 and afterwards worked at Jordan Carbonate Company, which utilises local raw materials, he told The Jordan Times. Back then, he was a new graduate with limited opportunities, and he wanted to change the concept of a traditional job by creating his own employment, he said.

“I decided to study raw materials used in the manufacture of chalk, as not much attention was given to the chalk industry in Jordan,” Oqbi noted.

Seven years of hard work and experimentation through more than 2,149 trials eventually yielded positive results, he said, adding that this period of **exploration** focused on economic cost, marketing mechanisms, financial funding and the raw materials for making chalk.

“I got a loan worth JD30,000 from the Development and Employment Fund, which helped me start a factory back in 2002 with the help of the local labour force,” he said. Oqbi Chalk Factory soon shifted from manufacturing ordinary chalk to medical chalk in order to become globally competitive, which is costly and requires sophisticated machinery for production, he said.

“In 2007, we participated in the Paper World Exhibition in Germany, at which we were able to gain new clients from 13 different countries, and that was the beginning of us going international,” Oqbi recalled, adding that the Jordanian factory now competes with Korean and French factories.

Since 2012, Oqbi Chalk Factory has been located at Hussein Bin Abdullah II Industrial City in Karak, offering jobs to more than 120 young residents of the area, he said, adding that the local product is exported to more than 120 countries across the world. Four years ago, the factory expanded its products to include coloured pens, modelling dough for children and other products, he said.



“My message for Jordanian youth is that they need to create their own opportunities and find their niche, rather than waiting for a job offer call,” he said.

|   |  |
|---|--|
| Project or company name   |  |
| Product offered to customers?   |  |
| Who are the customers?  |  |
| Benefits (value to customers)?  |  |
| Revenue streams?  |  |
| What entrepreneurial characteristic appear? (Passion, tenacity, execution intelligence, product/customer focus) |  |



<https://www.yout-ube.com/watch?v=tOkyLZ3HcpQ>

[https://www.linkedin.com/posts/interestingengineering\\_100-renewable-energy-from-nature-for-charging-activity-6901821624015011840-NRR5](https://www.linkedin.com/posts/interestingengineering_100-renewable-energy-from-nature-for-charging-activity-6901821624015011840-NRR5)

|   |   |
|---|---|
| <p>An <b>invention</b> is "something that has never been made before".</p> <p>By definition, it has to be something entirely new, either by making it or discovering it.</p>  <p>NANO TECHNOLOGY</p> | <p><b>Innovation</b> means "using a new idea or method".</p> <p>To innovate is to introduce something new to the market, to manipulate existing inventions and turn them into a product or process that is of use in the real world.</p>  |
|---|---|

### Discussion points:

- Inventor vs innovator
  - How is entrepreneurship related to innovation
-

# What Is an Entrepreneur?

مشروع جبنة حلومي في بريطانيا

<https://www.yout-ube.com/watch?v=HPDkSOtSOsw>

أحذية تراثية... فرح عجلوني

<https://www.facebook.com/watch/?v=415712759977206>

Fraser Doherty - SuperJam

<https://www.yout-ube.com/watch?v=e5aYvxUOULY>

**Identify opportunities**

**Put ideas into practice**

**Take risk**

**Integrate resources**

**Work hard**

**Be creative**

**give value**

## Discussion points:

- **What does entrepreneurship involve?**
  - **Can a company be entrepreneurial?**
-



## Corporate Entrepreneurship (1 of 2)

- Is the conceptualization of entrepreneurship at the firm level.
  - All firms fall along a conceptual continuum that ranges from highly conservative to highly entrepreneurial.
  - The position of a firm on this continuum is referred to as its entrepreneurial intensity.
-

# Corporate Entrepreneurship (2 of 2)

## Entrepreneurial Firms

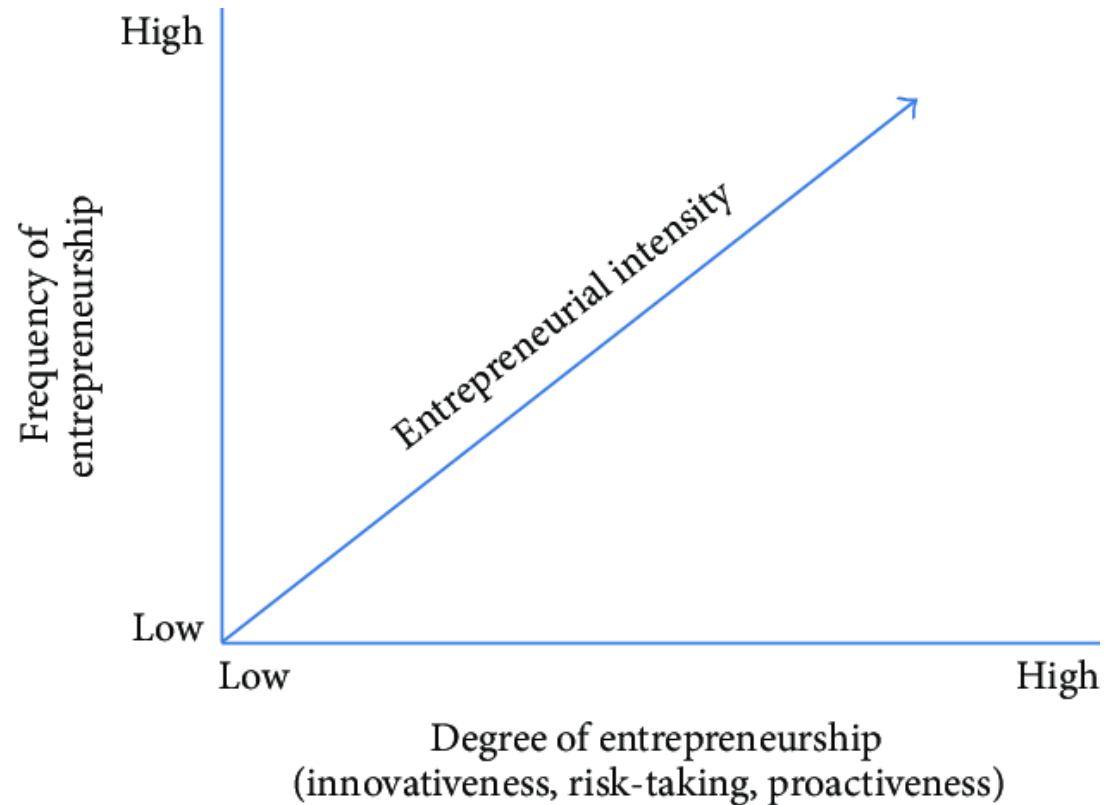
- Proactive
- Innovative
- Risk taking

## Conservative Firms

- Take a more “wait and see” posture
- Less innovative
- Risk averse

### Discussion points:

- **Locate an entrepreneurial corporation on the diagram.**
- 



# Why Become an Entrepreneur?

The three primary reasons that people become entrepreneurs and start their own firms.

- Desire to be their own boss
- Desire to pursue their own ideas
- Financial rewards

## **Discussion points:**

- **Do entrepreneurs have difficulty working with others?**
- **Do they reject authority?**

## **Discussion points:**

- **Discuss: Many entrepreneurial start-ups fail during first 5 years**

<https://fb.watch/8BoflG-CDp/>

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When Smitley decided to start barley & birch, she had absolutely no experience in the apparel industry. But a summer internship in Washington, D.C. compelled her to start the business.

As an environmental science major, Smitley had taken a research internship in the summer of 2007, after graduating college.

By chance, she ended up doing some side research for the owner of a clothing boutique who wanted to know whether the companies that claimed to have organic or green products were really making them.

Smitley's reports turned up some useful information, including the fact that many of the organic kids clothing companies were not actually using the healthiest fabrics or materials."

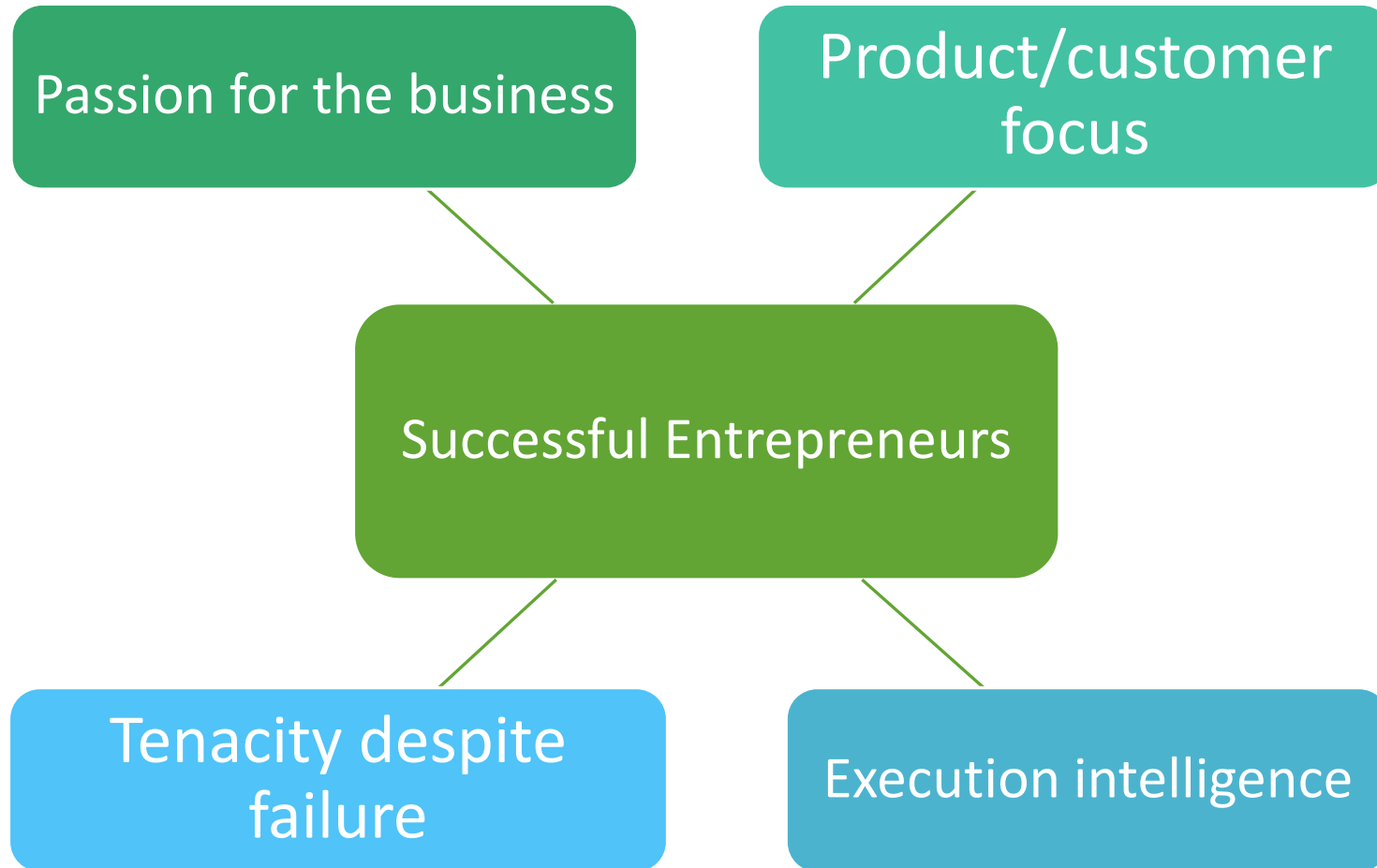
She says. "I basically made up my mind right then that I needed to start my own line, one that was accountable to the environment and to its customers."

Her company for organic kids clothing started in 2007 and produces all of its clothing in the United States using 100 percent certified organic cotton and water-based inks.

**Why did Smitley decide to become an entrepreneur?**

[https://www.inc.com/30under30/2009/profile\\_barley\\_and\\_birch.html](https://www.inc.com/30under30/2009/profile_barley_and_birch.html)

## 4 Primary Characteristics of Successful Entrepreneurs



### Discussion points:

- Show evidence of a characteristic in a case study

# Characteristics of Successful Entrepreneurs ...cont.

## 1. Passion for the Business

- The number one characteristic shared by successful entrepreneurs is a passion for the business.
- This passion typically stems from the entrepreneur's belief that the business will positively influence people's lives.

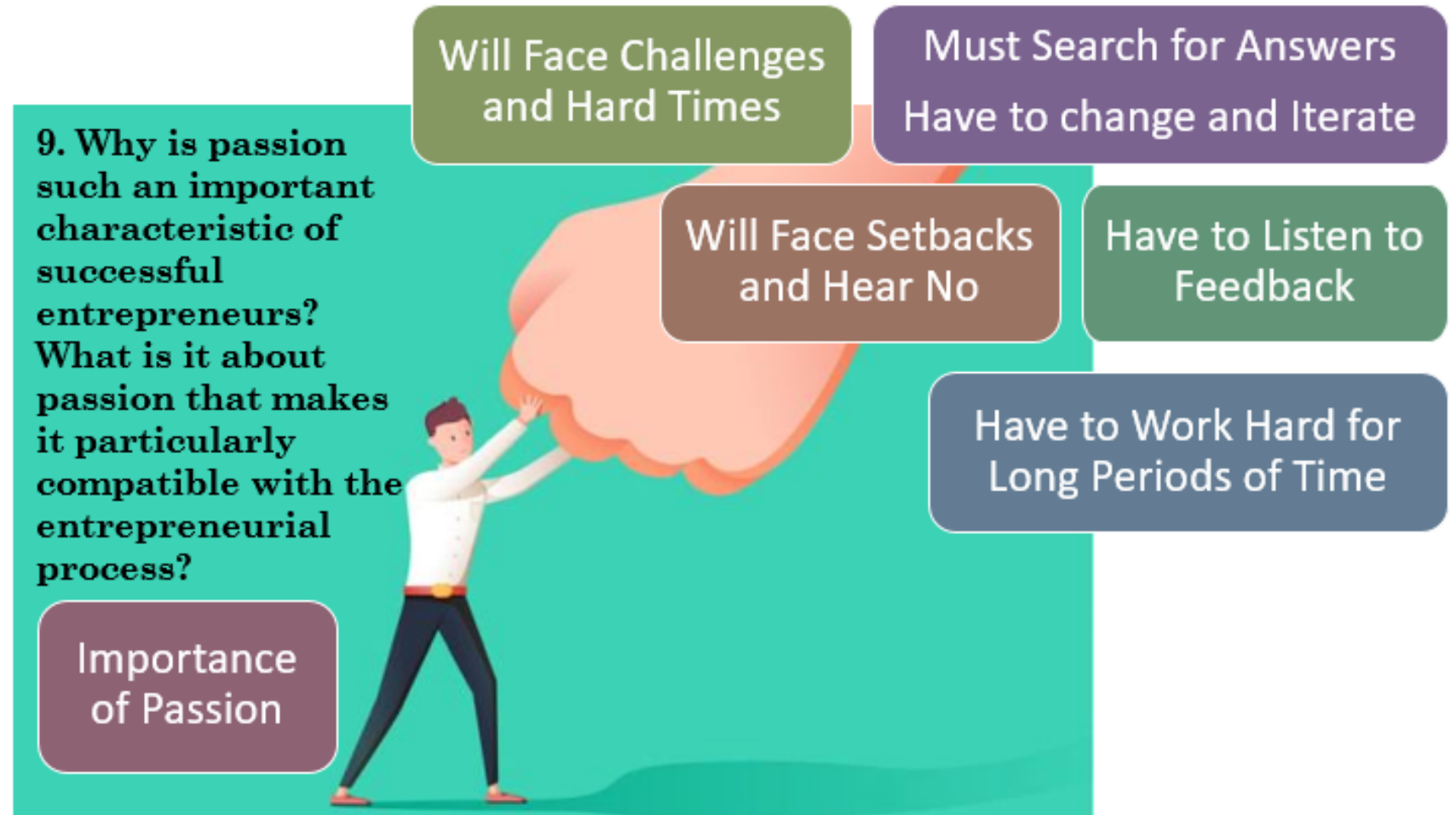
### Discussion points:

- **Five reasons why passion is important for the success of a startup**
-

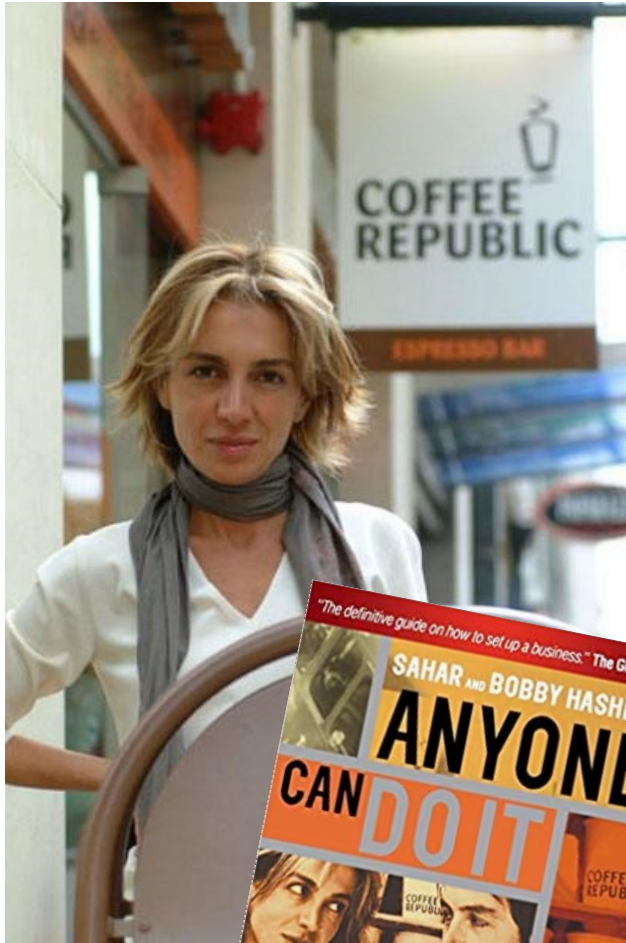
# Characteristics of Successful Entrepreneurs ...cont.

## Discussion points:

- Five reasons why passion is important for the success of a startup







Coffee Republic was founded in 1995 in Britain by Sahar Hashemi and her brother Bobby Hashemi, the coffee chain emerged out of an idea to replicate coffee bars in New York that Sahar had fallen in love with during her travels.

When asked about funding their startup, Sahar say: “Everyone said ‘no’ to us, everyone thought our idea was crazy, including every supplier we spoke to. We went to 39 bank managers and only the 40th bank manager said they would give us a £90,000 loan to open a coffee bar, because the 39 that rejected us said we were a nation of tea drinkers and we'd be crazy bringing coffee here. We had to bootstrap and be extremely resourceful.

We couldn't even find employees to work there because all of the offers that we got were people used to working in greasy spoon cafes. We ended up opening the doors to our coffee bar one year after we'd had the idea”.

Which of the 4 characteristics appear in this case?



# Characteristics of Successful Entrepreneurs ...cont.

## 2. PRODUCT/CUSTOMER FOCUS

- A second defining characteristic of successful entrepreneurs is a product/customer focus.
  - An entrepreneur's keen focus on products and customers typically stems from the fact that most entrepreneurs are, at heart, craftspeople.
- 
- While it's important to think about management, marketing, finance, and the like, none of those functions makes any difference if a firm does not have good products with the capability to satisfy customers.
  - Focus on the right things. You need to be disciplined. You need to turn down jobs.
  - Have diligence to spot product opportunities and to see them through to completion.
-

# Characteristics of Successful Entrepreneurs ...cont.

## 3. TENACITY DESPITE FAILURE

- Because entrepreneurs are typically trying something new, the failure rate is naturally high.
- A defining characteristic for successful entrepreneurs is their ability to persevere through setbacks and failures.

### **Discussion points:**

- **Discuss “pivot”**
-

# Characteristics of Successful Entrepreneurs ...cont.

## 4. EXECUTION INTELLIGENCE

- The ability to fashion a solid business idea into a viable business is a key characteristic of successful entrepreneurs.
- This is the factor that determines whether a start-up is successful or will fail

The ability of effectively execute a business idea means developing a business model, putting together a new venture team, raising, money, establishing partnerships, managing finances, feeding and motivating employees, and so on. It also demands the ability to translate thought, creativity, and imagination into action and measurable results.

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## Five myths about entrepreneurship

### 1. Entrepreneurs are Born not Made

<https://www.youtube.com/watch?v=wGb4M34kFmg&list=PLNWDh6w08iOb-8hw7DaL--FkeyEWoSzxR>

| Myth  | Truth ?   |
|---|---|
| some people are genetically predisposed to be entrepreneurs | entrepreneurs are not genetically different from other people   |
|   | everyone has the potential to become one.   |
|   | environment, life experiences, and personal choices   |
|   | observation of other entrepreneurs reduces the ambiguity and uncertainty associated with the entrepreneurial process. |

Studies show that people with parents who were self-employed are more likely to become entrepreneurs

**Myth or Truth?**

# Five myths about entrepreneurship

## 2. Entrepreneurs are gamblers

| Myth  | Truth ?  |
|---|--|
| entrepreneurs are gamblers and take big risks | entrepreneurs are usually moderate risk takers |

### Why?

Have jobs that are less structured, so they face a more uncertain set of possibilities than managers or employees

Have a strong need to achieve and often set challenging goals



## Five myths about entrepreneurship

### 3. Entrepreneurs are motivated primarily by money

| Myth   | Truth ?  |
|--|--|
| Entrepreneurs are motivated primarily by money | money is rarely the primary reason entrepreneurs start new firms and persevere |

**There must be a  
balance**

Media mogul Ted Turner said, “If you think money is a real big deal... you’ll be too scared of losing it to get it.”

Mission statement of iRobot, the maker of the popular Roomba robotic vacuum cleaner:

“Build Cool Stuff, Deliver Great Products, Have Fun, Make Money, Change the World

## Five myths about entrepreneurship

### 4. Entrepreneurs should be **young** and energetic

| Myth                                 | Truth ?  |
|--------------------------------------|--|
| Entrepreneurs should be <b>young</b> | <p>26 percent of entrepreneurs are ages 20 to 34, 25 percent are ages 35 to 44, 25 percent are ages 45 to 54, and 23 percent are ages 55 to 64. The biggest jump, by far, from 1996 to 2010</p> <p><b>60% of people who start small businesses are between the ages of 40 and 60. (2020)</b></p> |

<https://www.smallbizgenius.net/by-the-numbers/entrepreneur-statistics/#gref>

## Five myths about entrepreneurship

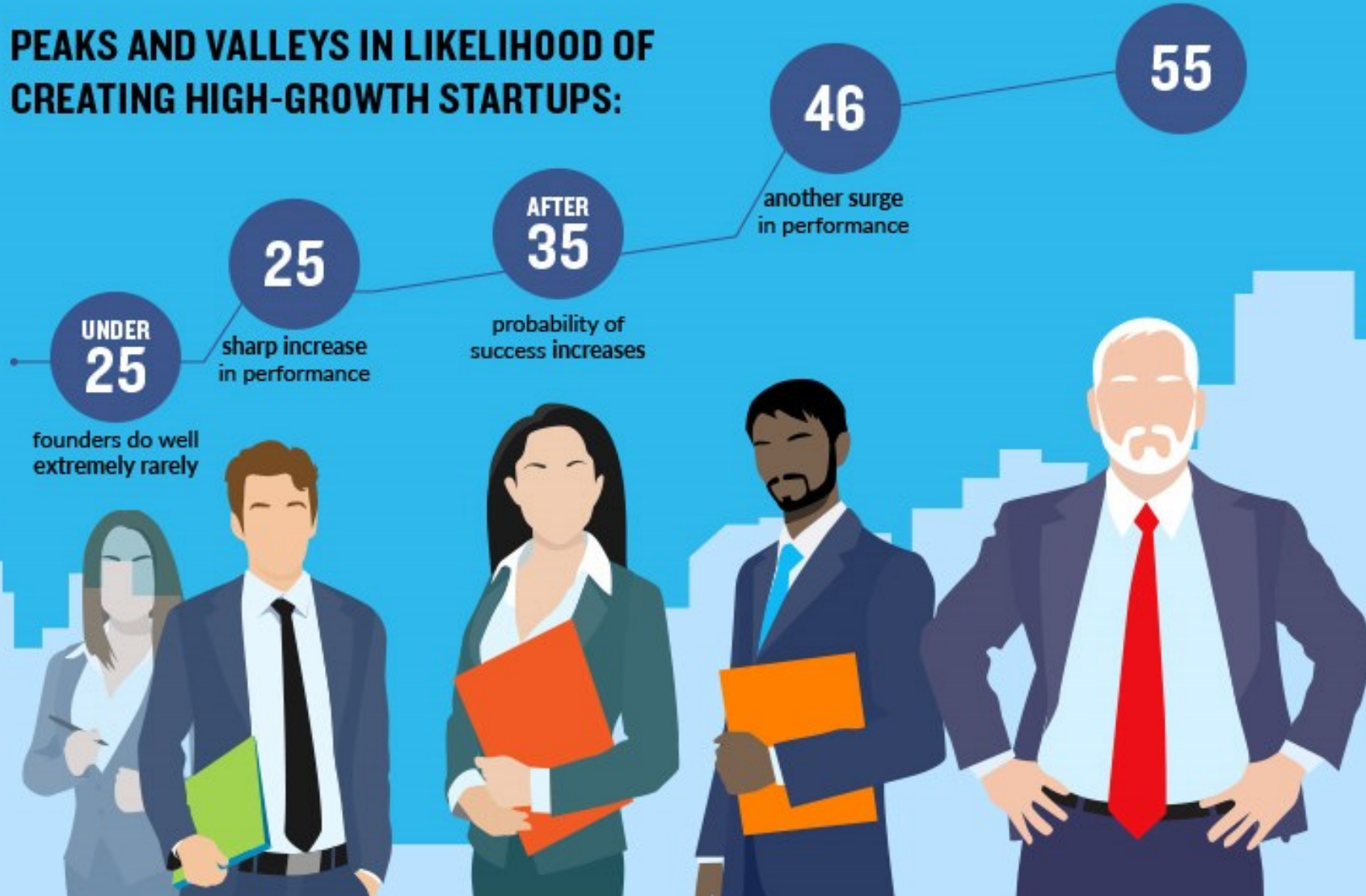
### 4. Entrepreneurs should be young and **energetic**

| Myth                                     | Truth ?   |
|--|---|
| Entrepreneurs should be <b>energetic</b> | <p>What makes an entrepreneur “strong” in the eyes of an investor is:</p> <ul style="list-style-type: none"><li>• experience in the area of the proposed business</li><li>• skills and abilities that will help the business</li><li>• a solid reputation</li><li>• a track record of success</li><li>• passion about the business idea</li></ul> |



## Five myths about entrepreneurship

### PEAKS AND VALLEYS IN LIKELIHOOD OF CREATING HIGH-GROWTH STARTUPS:



# Five myths about entrepreneurship

## 5. Entrepreneurs love the spotlight

### Myth

entrepreneurs are flamboyant



### Truth ?

vast majority of them do not attract public attention:

- Busy working?
- Proprietary products or services?
- Introverts?

# Types of Start-Up Firms

## Discussion points:

- **determine type of a startup firms in a case study**

### Salary-Substitute Firms

Firms that basically provide their owner or owners a similar level of income to what they would be able to earn in a conventional job

### Lifestyle Firms

Firms that provide their owner or owners the opportunity to pursue a particular lifestyle, and make a living at it

### Entrepreneurial Firms

Firms that bring new products and services to the market by creating and seizing opportunities regardless of the resources they currently control

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## Discussion points:

- determine type of a startup firms in a case study

<https://www.yout-ube.com/watch?v=YzyVgimV6kM&t=18s>

### Salary-Substitute Firms

Firms that basically provide their owner or owners a similar level of income to what they would be able to earn in a conventional job

The vast majority of small businesses fit into this category.

Salary-substitute firms offer common, easily available products or services to customers that are not particularly innovative.





## Discussion points:

- **determine type of a startup firms in a case study**

[https://www.yout-ube.com/watch?v=bSw\\_WXDb82s&list=PLmrET10kAE97dW5Iuv0MEdfLBAMTKoyDg&index=27](https://www.yout-ube.com/watch?v=bSw_WXDb82s&list=PLmrET10kAE97dW5Iuv0MEdfLBAMTKoyDg&index=27)

### Lifestyle Firms

Firms that provide their owner or owners the opportunity to pursue a particular lifestyle, and make a living at it

These firms are **not innovative**, nor do they grow quickly.

Commonly, lifestyle companies **promote a particular sport, hobby, or pastime** and may employ only the owner or just a handful of people.



## Discussion points:

- determine type of a startup firms in a case study

### Entrepreneurial Firms

Firms that bring new products and services to the market by creating and seizing opportunities regardless of the resources they currently control

Having recognized an opportunity, the entrepreneurs leading companies of this type **create products and services that have worth, that are important to their customers, and that provide a measure of usefulness to their customers that they wouldn't have otherwise.**

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## Evolution of the Mobile Phone



# Mrayti

<https://www.yout-ube.com/watch?v=ffTYtUTPZj8>

# Changing Demographics of Entrepreneurs

## Women Entrepreneurs:

م. شيماء البشتاوي

<https://www.yout-ube.com/watch?v=vkLxzl4NLFk>

**In USA**, men are still more likely to start businesses than women, but the number of women-owned businesses is **increasing**.

**In Jordan**, ratio of females to males for early stage entrepreneurial activity is 0.6 in 2019 according to GEM compared to 0.25 in 2016.

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# Changing Demographics of Entrepreneurs ....cont.

## Minority Entrepreneurs

<https://www.yout-ube.com/watch?v=4U97oijQeVg>

<https://www.facebook.com/dw.arabic/videos/306768751156814/>

**USA:** In USA there has been a substantial increase in minority entrepreneurs in the United States. The biggest jump has come in Latino entrepreneurs, followed by Asian entrepreneurs.

**Jordan:** though Jordan allows minorities to do business , it is not performing well in regard to protecting minority investors

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# Changing Demographics of Entrepreneurs ...cont.

<https://www.cnn.com/2017/05/04/boomer-entrepreneurs-are-making-it-big-by-doing-what-they-love.html>

## Senior Entrepreneurs:

<https://www.facebook.com/AlMamlakaTV/videos/647296643209837/>

**USA:** There is an increase in entrepreneurial activity among senior entrepreneurs, consisting of people 55 years and older. This increase is attributed to a number of factors, including corporate downsizing, an increasing desire among older workers for more personal fulfillment in their lives, and growing worries among seniors that they need to earn additional income to pay for future health care services and other expenses. Many people in the 55 and older age range have substantial business experience, financial resources that they can draw upon, and excellent vigor and health.

**Jordan:** the highest rates are among adults in the 25-34 and 35- 44 age groups.

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# Changing Demographics of Entrepreneurs ...cont.

## Young (Millennial) Entrepreneurs:

**USA:** a drop in new entrepreneurial activity for people in the 20 to 34 age range, nonetheless, the number of young people interested in entrepreneurship remains strong.

**Jordan:** the rate of younger entrepreneurs is similar to the rate of seniors

<https://www.yout-ube.com/watch?v=sYeeOarxfng&t=7s>

<https://www.facebook.com/watch/?v=356238315899282>

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# Entrepreneurship's importance to an economy and the society

- Entrepreneurship's importance to an economy and the society was first articulated in 1934 by Joseph Schumpeter.
  - In his book The Theory of Economic Development, Schumpeter argued that ***entrepreneurs develop new products and technologies that over time make current products and technologies obsolete.***
  - Schumpeter called this process **creative destruction**.
  - Small firms that practice this art are often called "innovators" or "agents of change."
  - New products and technologies are typically **better** so consumer demand increases, and economic activity is stimulated, and productivity is increased.
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# Economic Impact of Entrepreneurial Firms

## Innovation

- Is the process of creating something new, which is central to the entrepreneurial process.
- Small innovative firms are 16 times more productive than larger innovative firms in terms of patents per employee.

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# Economic Impact of Entrepreneurial Firms

The process of creative destruction is not limited to new products and technologies; it can include:

- new pricing strategies (e.g., Netflix)
- new distribution channels (e-books)
- new retail formats (IKEA).



<https://www.yout-ube.com/watch?v=ffTYtUTPZj8>



# Economic Impact of Entrepreneurial Firms... cont.

## Job Creation

- Small businesses create a substantial number of net new jobs in the United States.
- Firms with 500 or fewer employees created two million of the roughly three million private sector jobs in 2014.

## Jordan:

In terms of employment, **formal SMEs** play a significant role in employment, as they **employ** approximately **71.4% of the private sector's workforce** and almost **49.4% of all the personnel in the country's private and public sectors.**

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# Economic Impact of Entrepreneurial Firms ... cont.

## **Economic performance**

The COVID-19 pandemic has had significant economic repercussions in Jordan, given the country's small and open economy with its high rate of connections to the rest of the world. The pandemic has had particularly profound effects on the service sector, travel receipts, and tourism—all key sectors of growth for the Jordanian economy. Jordan's unemployment rate, which marginally increased from 18.3% to 19% between 2017 and 2019, rose sharply as a result of the economic shock from the pandemic, reaching 24.7% in Q4-2020. Female unemployment, which had been declining between 2017 and 2019, from 31.2% to 27%, rose sharply to 32.8% in Q4-2020. Moreover, youth unemployment (15–24 years) jumped significantly—from 40.6% in 2019 to an unprecedented high of 50% by the end of Q4-2020.

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# Entrepreneurial Firms' Impact on Society and Larger Firms

## Impact on Society

- The innovations of entrepreneurial firms have a dramatic impact on society.
- Think of all the new products and services that make our lives easier, enhance our productivity at work, improve our health, and entertain us.

## Impact on Larger Firms

- Many entrepreneurial firms have built their entire business models around producing products and services that help larger firms become more efficient and effective.
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# The Entrepreneurial Process

The Entrepreneurial Process Consists of Four Steps

**Step 1:** Deciding to become an entrepreneur.

**Step 2:** Developing successful business ideas.

**Step 3:** Moving from an idea to an entrepreneurial firm.

**Step 4:** Managing and growing the entrepreneurial firm.

**Step 5:** Exiting the venture or (harvesting)

**Optional task: compare 2 points of view after watching the following videos:**

<https://www.youtube.com/watch?v=wrnQ9s2t1Jw>

<https://www.yout-ube.com/watch?v=e1Empo4dscA&t=104s>

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# The Entrepreneurial Process

Decision to become  
an entrepreneur

Introduction to  
entrepreneurship  
Ch 1

Developing successful  
business ideas

Recognizing  
opportunities and  
generating ideas  
Ch 2

Feasibility analysis  
Ch 3

Developing an effective  
business model  
Ch 4

Industry and  
competitor analysis  
Ch 5

Writing a business plan  
Ch 6

Moving from an idea  
to an entrepreneurial  
firm

Preparing the proper  
ethical and legal  
foundation  
Ch 7

Assessing a new  
venture's financial  
strength and viability  
Ch 8

Building a new  
venture team  
Ch 9

Getting financing or funding  
Ch 10

Managing and  
growing an  
entrepreneurial firm

Unique marketing  
issues  
Ch 11

The importance of  
intellectual property  
Ch 12

Preparing for and  
evaluating the  
challenges of growth  
Ch 13

Strategies for firm growth  
Ch 14

Franchising  
Ch 15

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