

Entrepreneurship

**Creativity
and
Innovation**

Entrepreneurial Competencies

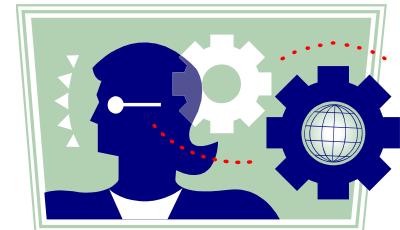
- Creativity and Innovation
- Leadership and Team Building
- Opportunity seeking and initiative
- Risk taking and decision making ability
- Tolerance and uncertainty
- Motivation to excel
- Problem solving
- Goal orientation
- Internal locus of control
- Persistence, persuasion and networking

Opportunity Identification: The Search for New Ideas

- Opportunity identification is central to entrepreneurship and involves:
 - The creative pursuit of ideas
 - The innovation process
- The first step for any entrepreneur is the identification of a “good idea.”
 - The search for good ideas is never easy.
 - Opportunity recognition can lead to both personal and societal wealth.

Entrepreneurial Imagination and Creativity

- How entrepreneurs do what they do:
 - Creative thinking + systematic analysis = success
 - Seek out unique opportunities to fill needs and wants
 - Turn problems into opportunities
 - Recognize that problems are to solutions what demand is to supply



The Role of Creative Thinking

- Creativity
 - The generation of ideas that result in the improved efficiency or effectiveness of a system.
- Two important aspects of creativity exist:
 - Process
 - The process is goal oriented; it is designed to attain a solution to a problem.
 - People
 - The resources that determine the solution.

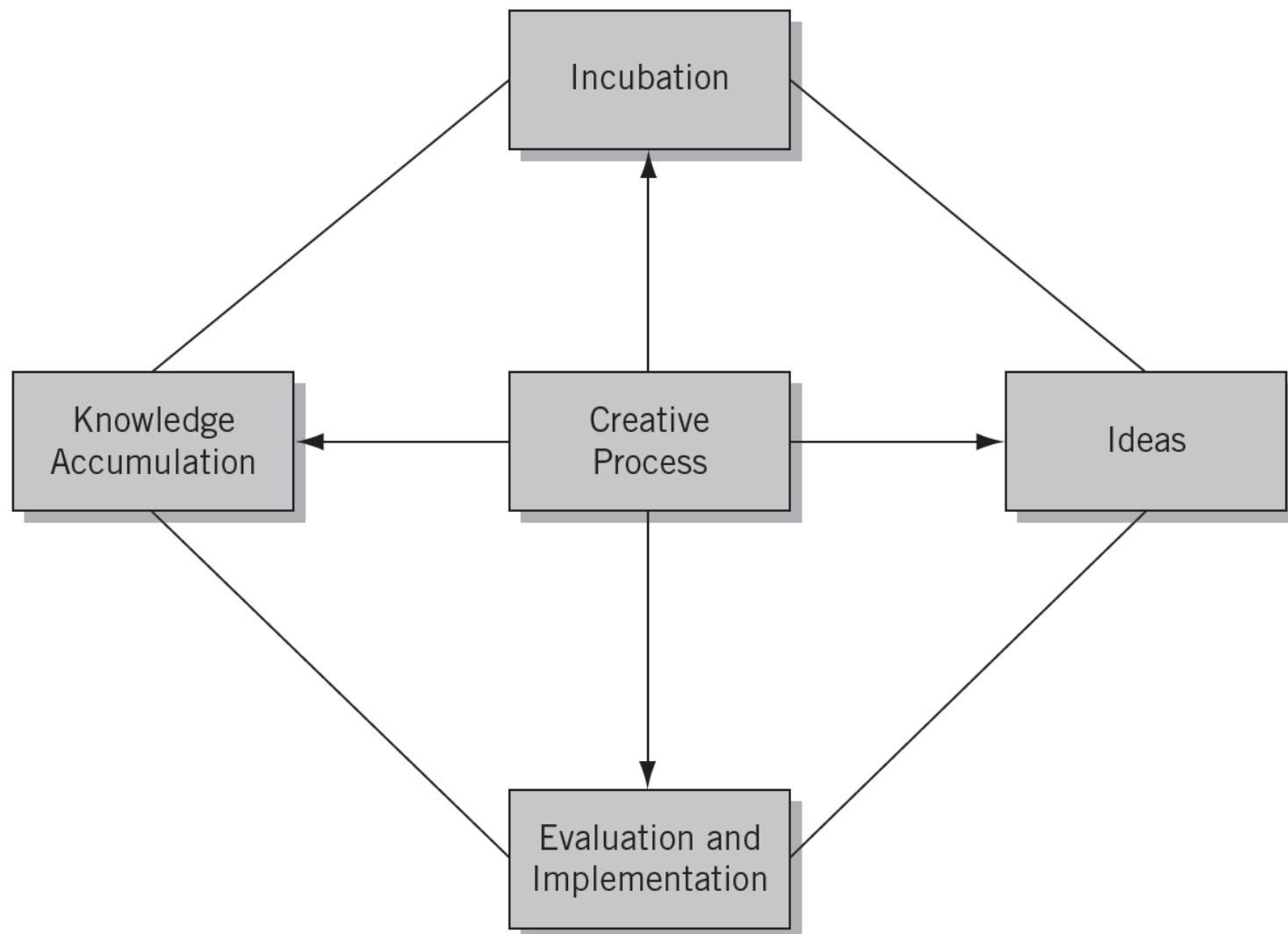
The Nature of the Creative Process

- Creativity is a process that can be developed and improved. Some individuals have a greater aptitude for creativity than others.
- Typical Creative Process
 - Phase 1: Background or knowledge accumulation
 - Phase 2: The incubation process
 - Phase 3: The idea experience
 - Phase 4: Evaluation and implementation

Figure

5.1

The Critical Thinking Process



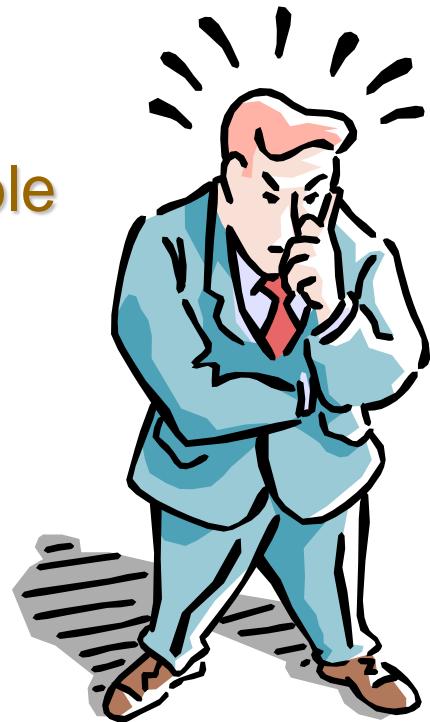
Developing Your Creativity

- Recognizing Relationships
 - Looking for different or unorthodox relationships among the elements and people around you.
- Developing a Functional Perspective
 - Viewing things and people in terms of how they can satisfy his or her needs and help complete a project.
- Using Your Brains
 - The right brain helps us understand analogies, imagine things, and synthesize information.
 - The left brain helps us analyze, verbalize, and use rational approaches to problem solving.

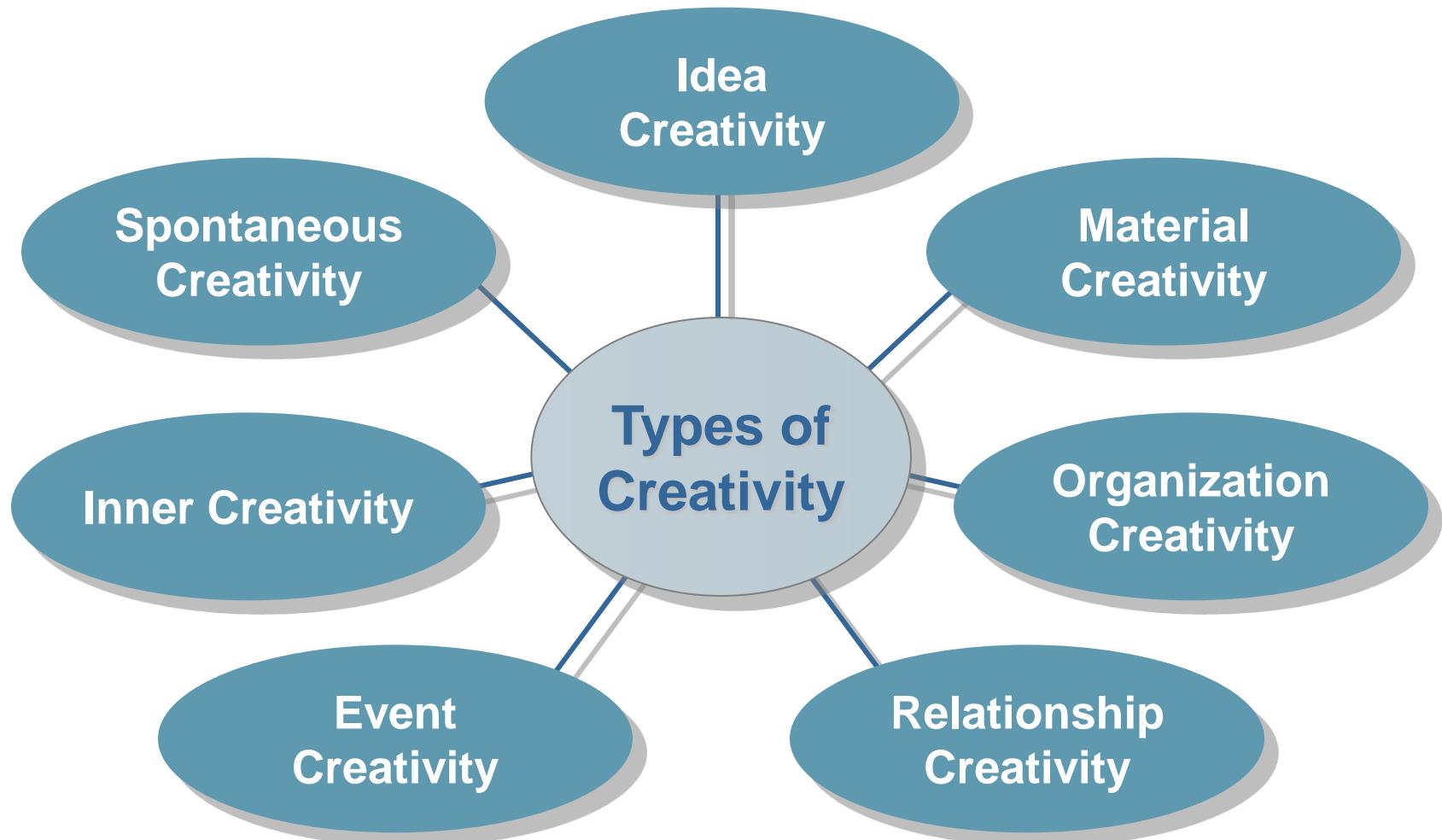
Impediments to Creativity

- Eliminating Muddling Mind-Sets

- Either/or thinking (concern for certainty)
- Security hunting (concern for risk)
- Stereotyping (abstracting reality)
- Probability thinking (seeking predictable results)



Arenas in Which People are Creative



The Creative Climate

- Characteristics of a creative climate:
 - A trustful management that does not overcontrol the personnel
 - Open channels of communication among all business members
 - Considerable contact and communication with outsiders
 - A large variety of personality types
 - A willingness to accept change
 - An enjoyment in experimenting with new ideas
 - Little fear of negative consequences for making a mistake
 - The selection and promotion of employees on the basis of merit
 - The use of techniques that encourage ideas, including suggestion systems and brainstorming
 - Sufficient financial, managerial, human, and time resources for accomplishing goals

Innovation and the Entrepreneur

- Innovation:

- Is the process by which entrepreneurs convert opportunities into marketable ideas.
- Is a combination of the vision to create a good idea and the perseverance and dedication to remain with the concept through implementation.
- Is a key function in the entrepreneurial process.
- Is the specific function of entrepreneurship.

The Innovation Process

- Types of Innovation

- Invention
- Extension
- Duplication
- Synthesis

- Sources of Innovation

- Unexpected occurrences
- Incongruities
- Process needs
- Industry and market changes
- Demographic changes
- Perceptual changes
- Knowledge-based concepts

Table

5.6

Innovation in Action

Type	Description	Examples
Invention	Totally new product, service, or process	Wright brothers—airplane Thomas Edison—light bulb Alexander Graham Bell—telephone
Extension	New use or different application of an already existing product, service, or process	Ray Kroc—McDonald's Mark Zuckerberg—Facebook Barry Sternlicht—Starwood Hotels & Resorts
Duplication	Creative replication of an existing concept	Wal-Mart—department stores Gateway—personal computers Pizza Hut—pizza parlor
Synthesis	Combination of existing concepts and factors into a new formulation or use	Fred Smith—Fed Ex Howard Schultz—Starbucks

Jugaad



SURAT JUGAAD COMMUNITY

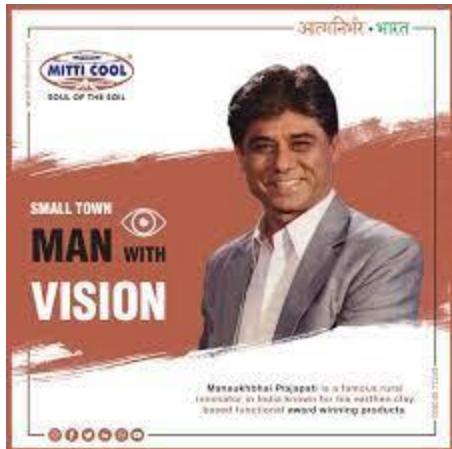
800+ Members | SURAT JUGAAD | SJ+

FOR MEMBERSHIP INQUIRIES, CONTACT SURAT JUGAAD: 7096445444

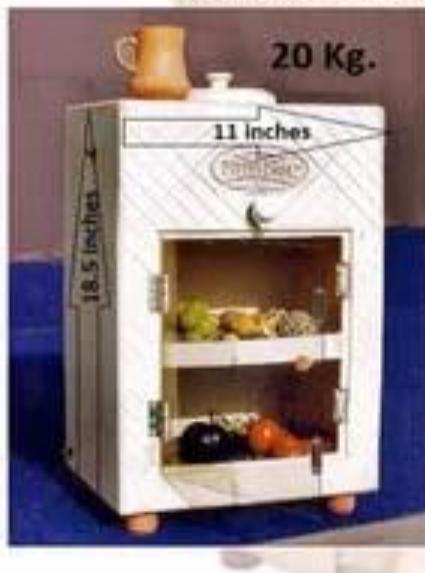
The community features seven color-coded circles representing different groups:

- GOLDEN YELLOW CIRCLE
- ROYAL BLUE CIRCLE
- OLIVE GREEN CIRCLE
- WALNUT BROWN CIRCLE
- TREASURE RED CIRCLE
- HARMONY WHITE CIRCLE
- ULTRA VIOLET CIRCLE

Jugaad: Mitticool



MITTICOOL FRIDGE - A "COOL" PRODUCT INNOVATION



- Fridge that does not require electricity!
- made out of clay
- works on the principle of evaporation.
- cools drinking water and can store vegetables and milk
- affordable for nearly anyone
- improves food quality and health of poorer population and provides employment
- environment friendly in manufacturing, use and recycling



SOUL OF THE SOIL

What Defines a good business opportunity?

- Urgency of the market need
- Adequate market size
- Sound business model
- Potential brand value
- An able management team

When is an idea an opportunity?

- **Attractiveness**
- **Timeliness**
- **Durability**
- **Relevant**
- **Creative and innovative**

Principles of Innovation

- *Be action oriented.*
- *Make the product, process, or service simple and understandable.*
- *Make the product, process, or service customer-based.*
- *Start small.*
- *Aim high.*
- *Try/test/revise.*
- *Learn from failures*
- *Follow a milestone schedule.*
- *Reward heroic activity.*
- *Work, work, work.*

Capacity Building for Entrepreneurs

- Create right eco-system
- Build skills
- Provide access to capital
- Enable networking and exchange
- Create tax benefits, incentives and simplify the bureaucratic process.

Key Terms and Concepts

- appositional relationship
- creative process
- creativity
- duplication
- extension
- functional perspective
- incongruities
- innovation
- invention
- left brain
- muddling mind-sets
- opportunity identification
- probability thinking
- right brain
- stereotyping
- synthesis