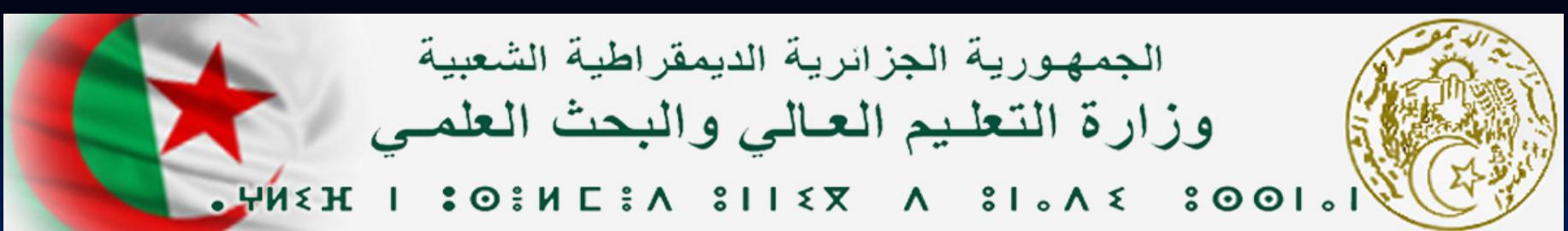




ensia The National School of
Artificial Intelligence
المدرسة الوطنية العليا للذكاء الاصطناعي

October 31, 2023



الجمهورية الجزائرية الديمقراطية الشعبية
وزارة التعليم العالي والبحث العلمي

٠٥٥١٠٨٤٠٩٦٤٨٠١١٤٨ :٠٩٦٣٠٧٠٥٤٣٠٦٠٥٤



المدرسة الوطنية العليا للذكاء الاصطناعي

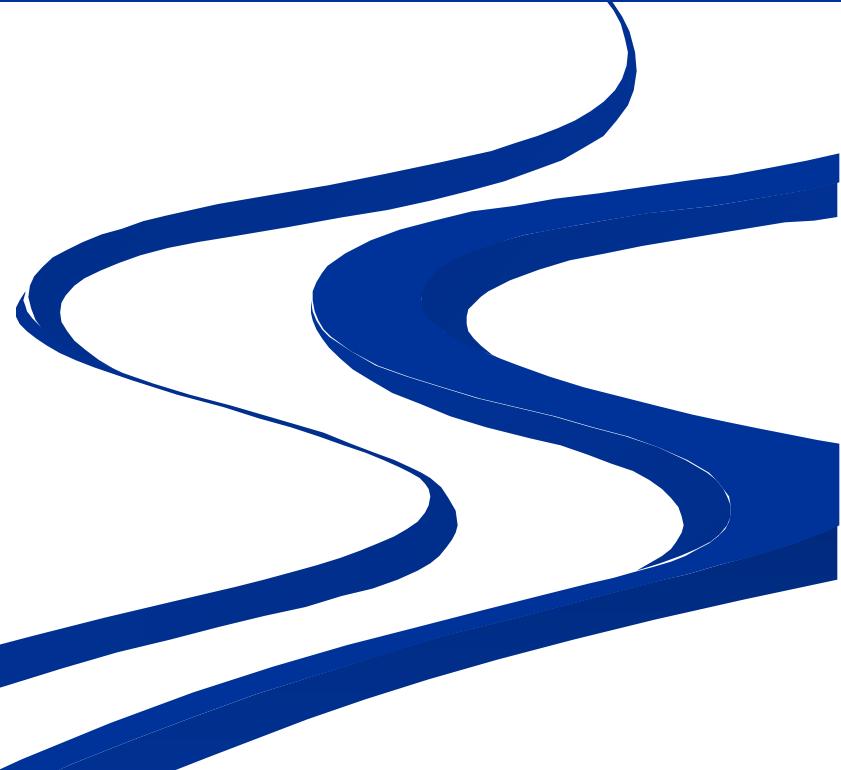
National High School of Artificial Intelligence

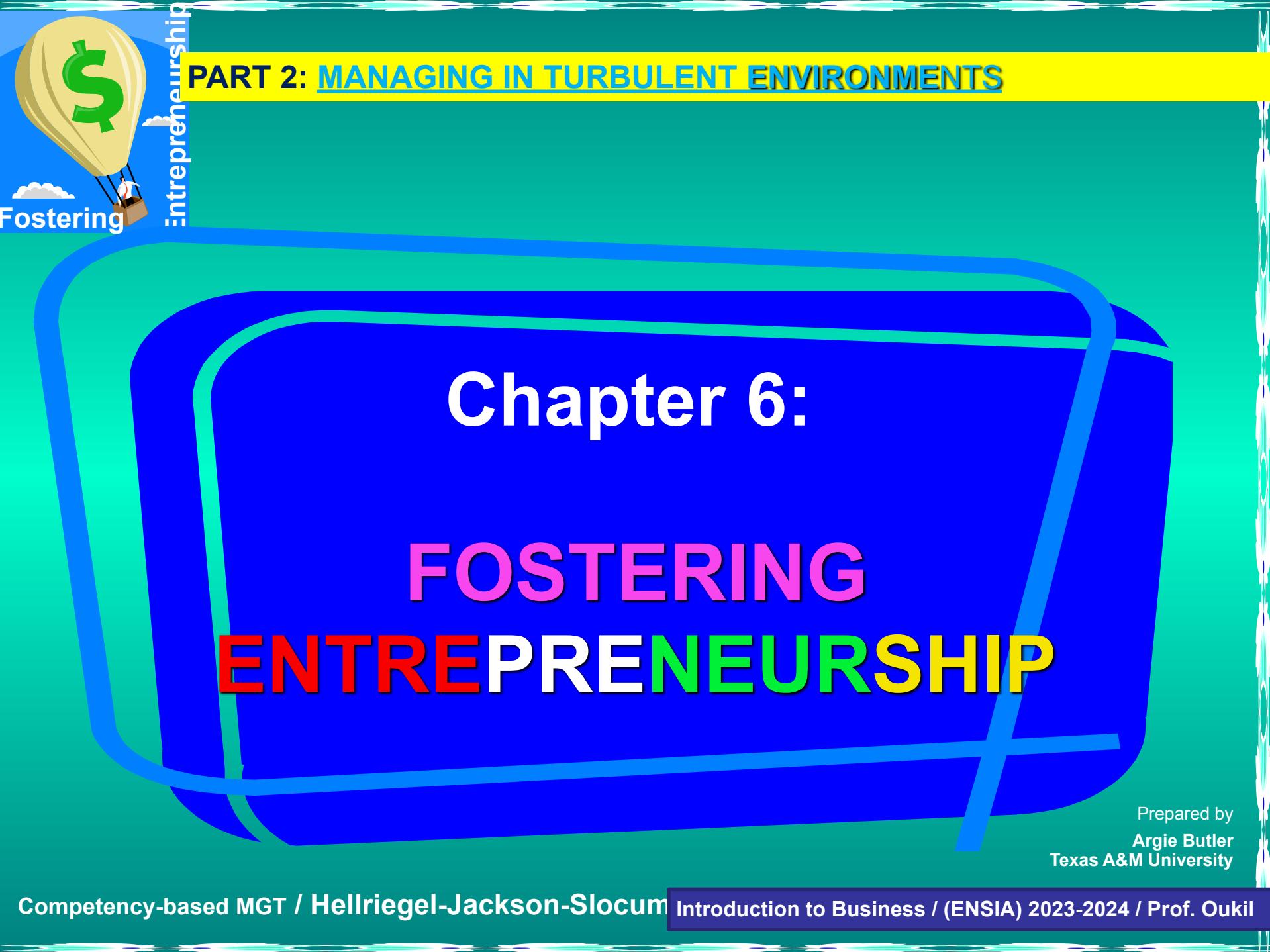
(ENSIA)

Academic Year
2023-2024
[Y2-S1]

YOUR MANAGEMENT COURSE

**Introduction to
BUSINESS**





PART 2: MANAGING IN TURBULENT ENVIRONMENTS

Chapter 6:

FOSTERING ENTREPRENEURSHIP

Prepared by
Argie Butler
Texas A&M University



4 Learning Goals



- > Explain the nature of entrepreneurship and the impact the environment has on it;
- > Describe the competencies that contribute to entrepreneurs' success;
 - > Outline the planning essentials for potential entrepreneurs;
 - > Indicate the basic essentials of corporate entrepreneurship.
 - > Understand how to start and manage Your Own Business.





What is Entrepreneurship?

- **It is the:**
- **Creation of an innovative organization**
- **For the purpose of economic gain or growth**
- **Under conditions of risk or uncertainty.**

Entrepreneurship: meaning & scope

Common Components of Entrepreneurship
Or, WHAT DOES IT CONSIST OF?

Something
NEW

New delivery system
or
distribution channel

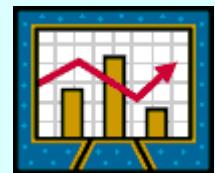
Something
BETTER

Entering an underserved or new market



How Does the Environment Affect Entrepreneurship?

- Open and free markets (no state domination);
- Deregulation (removing restrictions);
- Political climate (stability);
- Economic and technological conditions;
- Support system >> (ECO-SYSTEM)
 - ✓ Availability of capital and loans,
 - ✓ Tax rates and policies,
 - ✓ Support services: venture capital firms, Blue Angels, chambers of commerce, Fab-lab, INCUBATION, etc.
 - ✓ Corruption free system.





The importance of **INCUBATION**

- **Business incubation:** a business support process that accelerates the successful development of START-UPS and fledging companies by providing entrepreneurs with an array of targeted resources and services.
- **Common features in business incubators:**
 - ✓ Management and technical guidance / advice;
 - ✓ Networking;
 - ✓ Rental space / flexible leases;
 - ✓ Shared business services and equipment;
 - ✓ Psychological and moral support;
 - ✓ Assistance in obtaining financing.



QUESTION

Is a Small Business an Entrepreneurial Firm?

- Small business—one that is independently owned, launched and operated and which is not dominant in its field of operation.

- Small business firm may be entrepreneurial, depending upon its initiatives.



ANOTHER QUESTION

Are Family Businesses Entrepreneurial Firms?

- Family business:** one owned and managed mostly by people who are related by blood and/or marriage.



- May or may** not be entrepreneurial.



N.B

- 30%** of family businesses survive to the second generation, **12%** to the third generation, and **3%** to the fourth and beyond.





Competencies of Successful Entrepreneurs

Self MGT

- Need for achievement;
- Desire for independence;
- **Self confidence**
- Self sacrifice.



Successful entrepreneurs

Specialised Knowledge

Varies by type of business launched



1-Strategic Action Competency:

<p>Delivering products and services that are perceived as high quality and that are seen by its customers or clients as <u>adding value</u></p>	<p>Developing or improving products and services on a regular basis</p>
<p>Generating new customers or clients that expand revenue</p>	<p>Focusing marketing expenditures and developing customer-oriented employees</p>
<p>Maintaining financial control of the firm</p>	<p>Establishing a strong commitment to ethical practices</p>



2- Planning and Administration Competency: Snapshot



Do your homework prior to starting the business. Make sure the market truly needs your service or product. Finally, make sure you can differentiate your service or product from the competition in a way that is beneficial to the customer. Stay focused on your goals, but be flexible enough to modify your business plan to match what the market is truly asking for. As evidenced of why this is important: 75 percent of my firm's revenue today is from services we did not offer in my original business plan.

Daniel Driesenga
Founder and CEO
Driesenga & Associates



- ❖ Successful entrepreneurs score higher than 82 percent of the population on their ability to express support and encouragement.
- ❖ Successful entrepreneurs succeed by helping other people—their employees, partners, investors, suppliers—become successful themselves.





Planning Essentials for Entrepreneurs

Business Plan

- Describes the basic idea that is the foundation for the start-up and outlines how that idea can be turned into reality.



Snapshot



“Someone once said: If you don’t know where you’re going, any road will take you there. BUT, you need to know exactly where you want to go, what route you’re going to take, when you will arrive and what you are to do upon arrival—no guesswork at all. You need to determine whether there is a demand for your service and, if so, what constitutes your market.”

*Don Doggett
Management Counselor
Counselors to America’s Small Business*



Business Plan: Essential Components



I. Executive Summary:

- What, how, why, where, and when must be summarised.



II. Business Description Component:

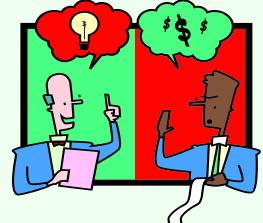
- The name of the business.
- The potential and uniqueness of the new venture.

(continued)



III. Marketing Component:

- **Convince investors that sales projections and competition can be met;**
- **Identify target market, market position, market share, pricing strategy;**
- **Evaluate all competition and state why and how you will be better than your competitors;**
- **Identify advertising plans with cost estimates.**





IV. Location Component:

- **Describe the advantages of your location (zoning, tax laws, wage rates);**
- **List the production needs in terms of facilities (plant, storage, office space) and equipment (machinery, furnishings, supplies);**
- **Indicate proximity to your suppliers (transport ...)**



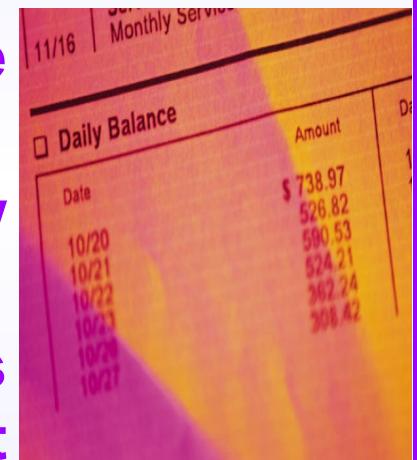
V. Management Component:

- Elaborate résumés of all key people in the management of your venture;
- Describe the legal structure of your venture (sole proprietorship, partnership, or corporation);
- Give information on how and how much everyone is to be compensated.



VI. Financial Component:

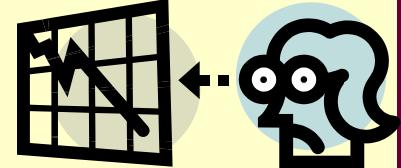
- Describe the needed sources for your funds and the uses you intend for the money;
- Develop an estimated budget, cash flow statement, and profit and loss statement;
- Create stages of financing for purposes of allowing evaluation by investors at various points.





VII. State Potential Critical-Risks Component:

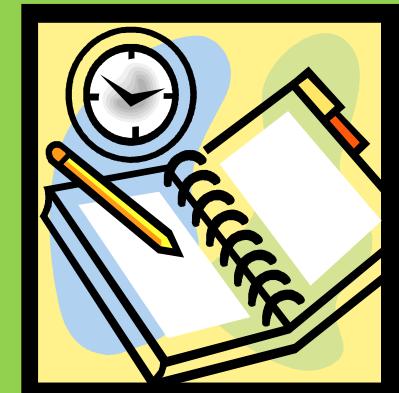
- Any potentially unfavourable industry-wide trends, such as price cutting by competitors;
- Design or manufacturing costs in excess of estimates;
- Sales projections not achieved;
- Product development schedule not met;
- Provide some alternative courses of action.





VIII. Milestone Schedule Component:

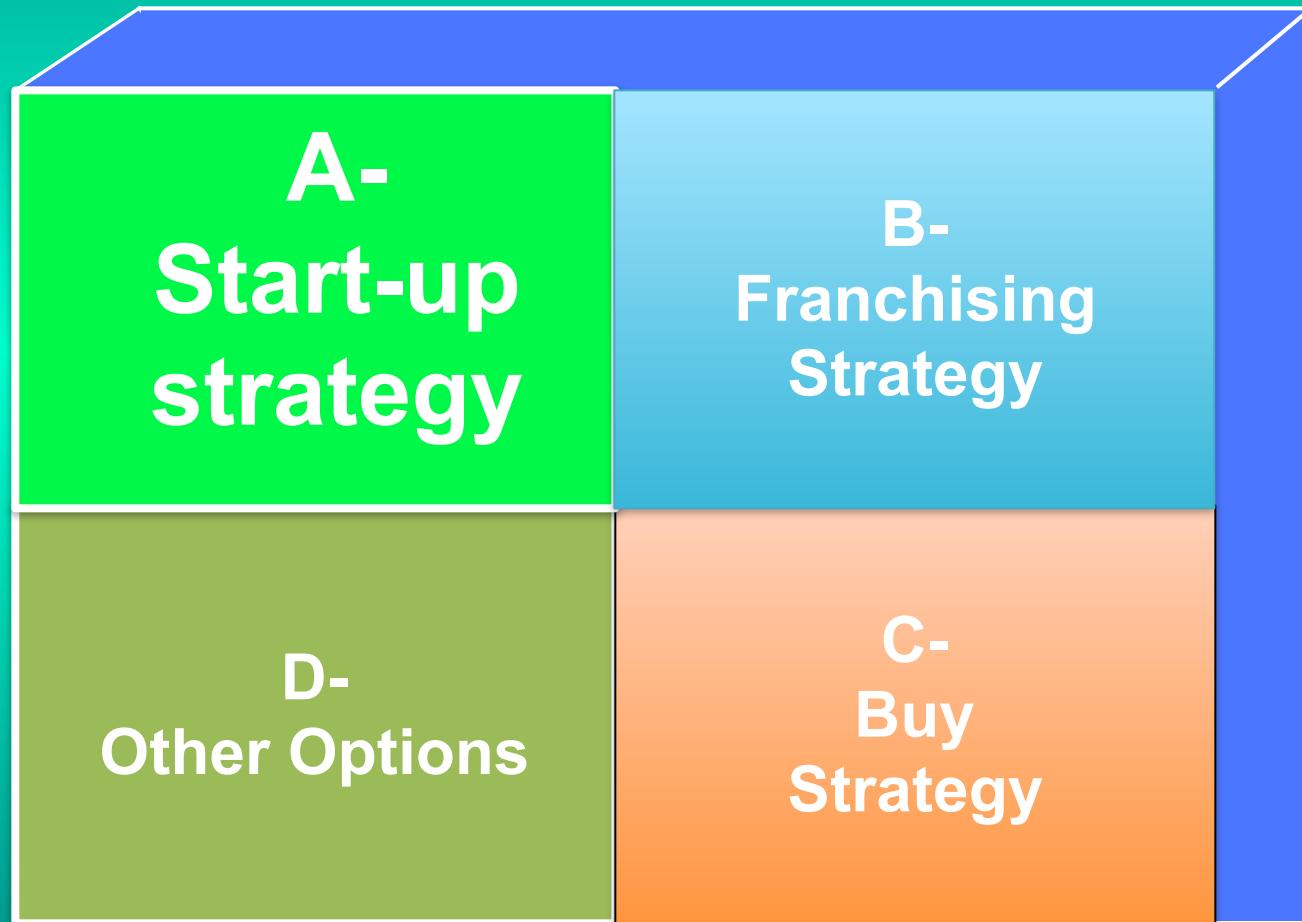
- Develop a timetable or chart to demonstrate when each phase of the venture is to be completed.



IX. Appendix or Bibliography.



Ways of Starting a Business





Principle of Affordable Loss

- The conscious determination of the amount of resources (money, time, and effort) entrepreneurs are willing to commit to an idea, which, in turn, influences the choice of strategies and methods needed to generate early revenues.
- Addresses tension between excessive analysis and quick action.



Finding Funds

Venture capitalists

Business Blue angels

**Entrepreneur,
family,
friends**

**Business
incubators,
government
agencies**

**Private sector
financial
institutions**



Factors That Favour a Global Start-up

**THINK
GLOBAL
&
ACT
LOCAL**

**Global
Start-Up**

Human
Resources Are
Dispersed Among
Countries

Foreign
Financing
is Better

Target
Customers
Require an
International
Presence

Foreign
Competition Will
Quickly Enter the
Market

Domestic
Market is Too
Small to Support
Expenses

Domestic
Inertia Could
Impede Later
Efforts to
Internationalise



Recommendations to Ensure a Successful Family Business

Clear Job Responsibilities And Authority Relationships

Explicit Hiring Criteria For Family Members

Commitment to Resolving Conflicts Quickly

Plan for Management Transitions

Use of Outside Advisors/Directors



Corporate Entrepreneurship OR INTRAPRENEURSHIP

❖ What is Corporate Entrepreneurship?

- The development, promotion, and implementation of innovation initiatives in established firms for the purpose of generating growth and, thus, profits under risky or uncertain conditions.
- This also known as INtrapreneur (ship) and it is essential for the survival of firms.

❖ Who Is a Corporate Entrepreneur?

- Someone in an organisation who champions turning new ideas into profitable realities.





How is Corporate Entrepreneurship Fostered?

Commitment from senior MGT

Flexible organisation design

Autonomy of the venture team

Appropriately designed control system

Incentives and rewards for risk taking

Competent and talented people who exhibit entrepreneurial behaviours and attitudes



SHOULD NOT YOU CREATE YOUR STARTUP?

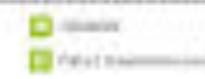
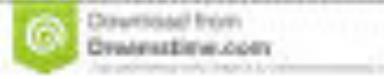
FIND AN IDEA



THANK YOU

ALGERIA?

Q&A



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IOS_GK0T-GK1C&mibextid=1Yhcl9R&v=1409322566534077](https://www.facebook.com/watch/?extid=NS-UNK-UNK-UNK-IOS_GK0T-GK1C&mibextid=1Yhcl9R&v=1409322566534077)