

Innovation and Entrepreneurship

Unit: 02-
Essentials of Entrepreneurship

Outline

- **Entrepreneurship:** Defining Entrepreneurship, Entrepreneurial Traits, Types of Entrepreneurs, Types of Entrepreneurs On The Basis Of Their Personality, Entrepreneurial Skills, Defining Entrepreneur, Introduction–Definitions, Types of Entrepreneurship.
- **Incubators:** Entrepreneurship and Innovation Practices, Technology Management and Transfer. Case studies and examples

Innovation and Entrepreneurship

Entrepreneurship

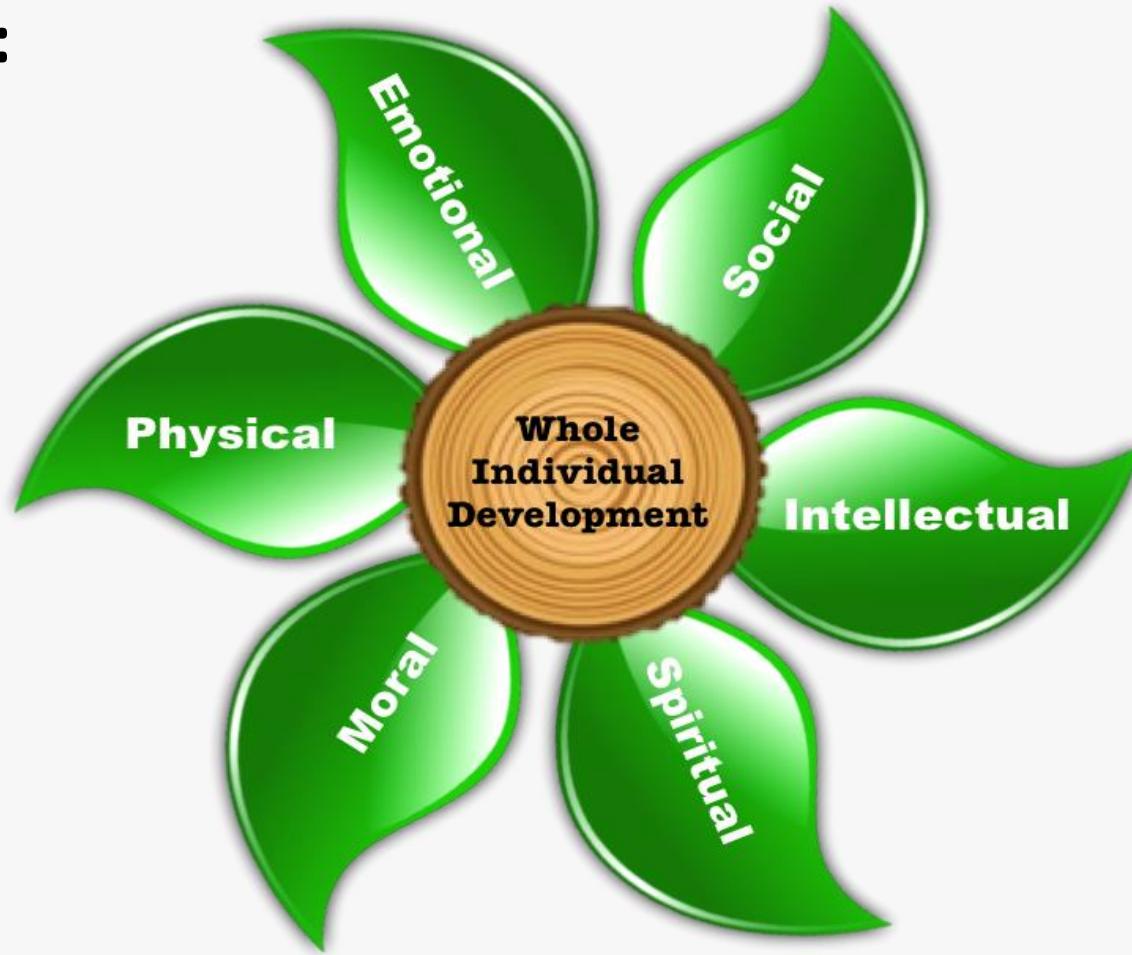
A path Paved with hurdles...!

What is Entrepreneurship?:

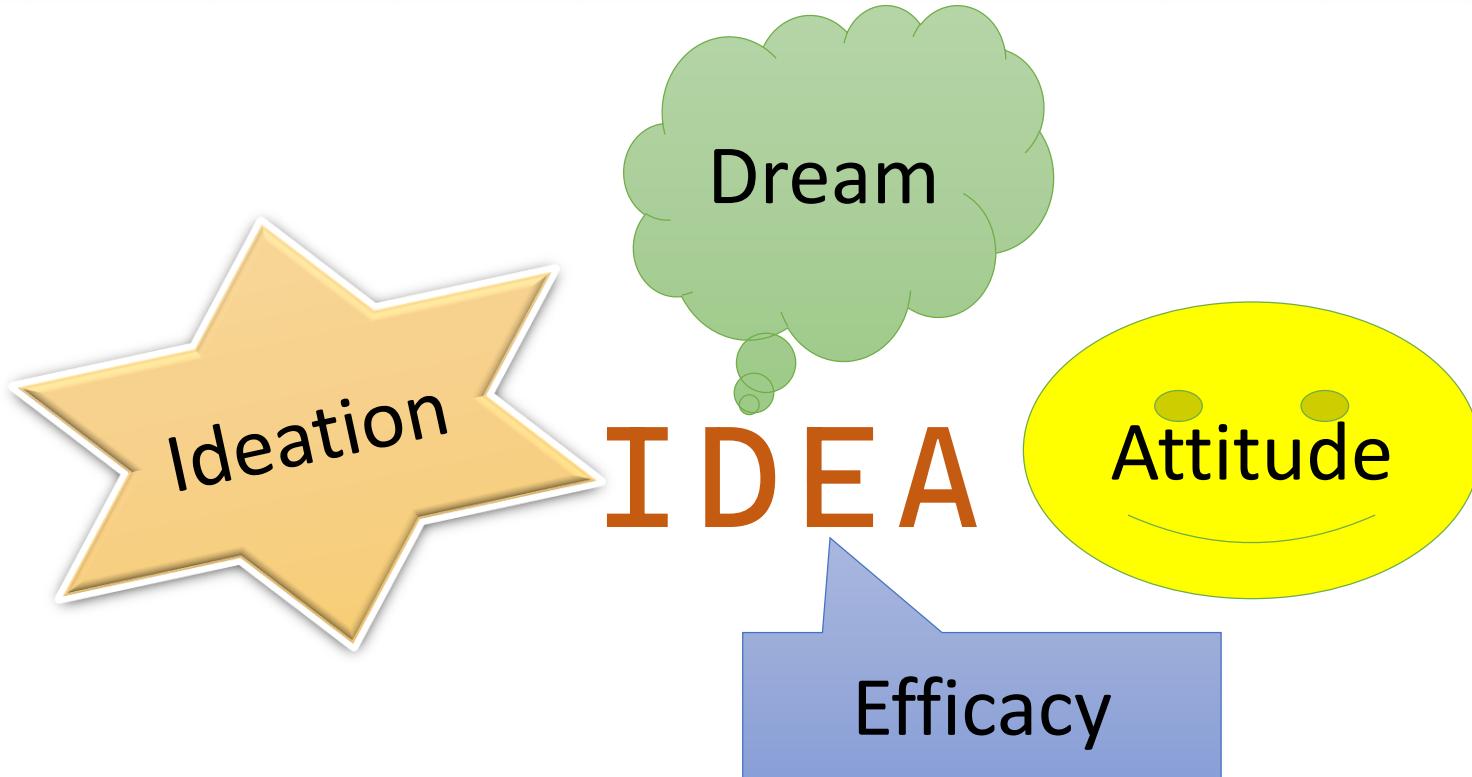
<https://youtu.be/rRpMrAMesbA>

Entrepreneurship Demands

- Holistic Development:



Define an Idea!

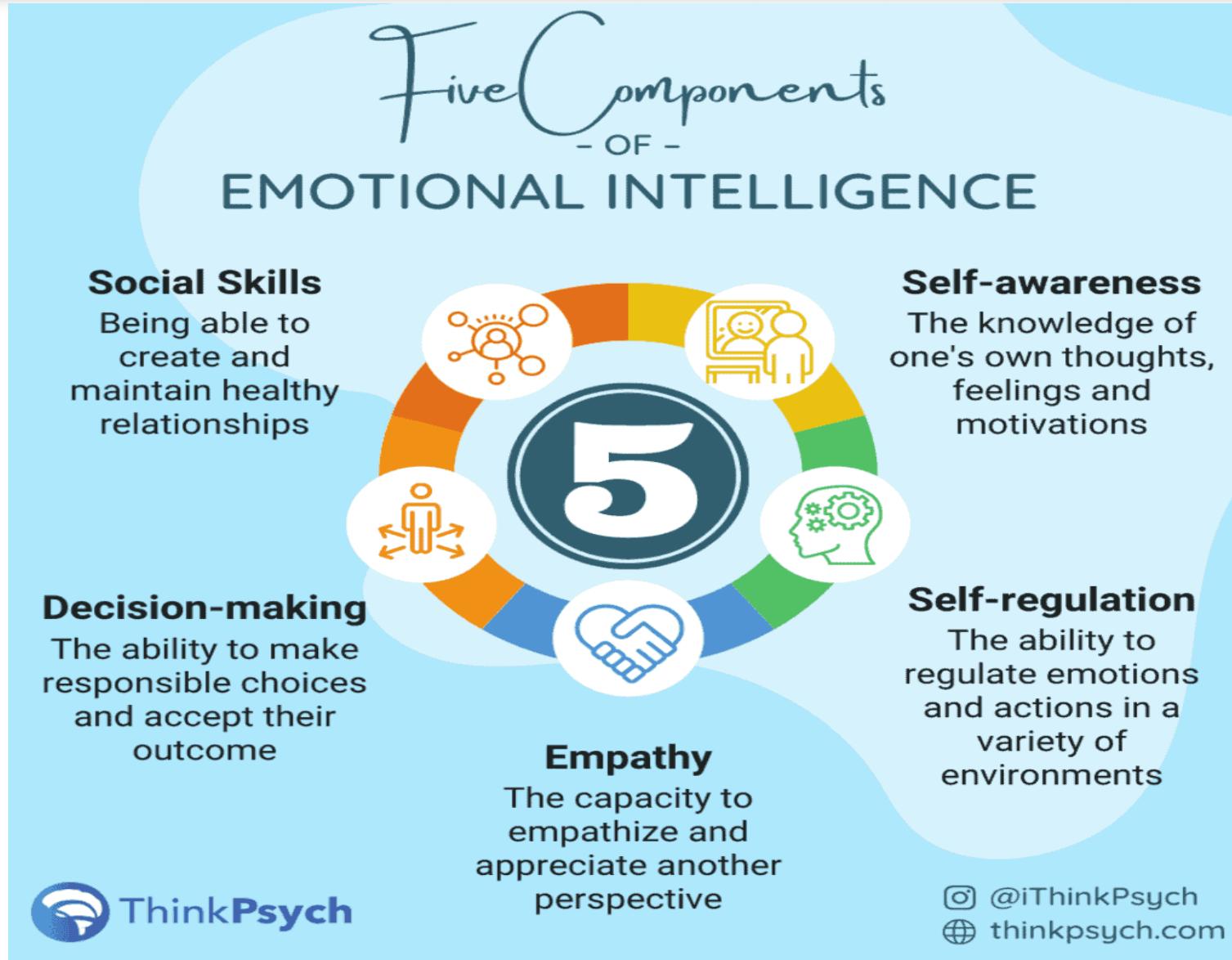


Andragogy

Andragogy: The Art and Science of Helping Adults Learn



Emotional Intelligence



Entrepreneurship

- considered as a ‘new product’:
 - catering to the changing needs of the society
- ability of entrepreneurs to assess the risks and establish businesses
- risky but at the same time suits perfectly to the changing scenarios of the economy
- Aim is to establish and to run the business enterprises
- While facing the changing social, political and economic environments
- Introduce the business ventures to meet out all these expectations of the consumers

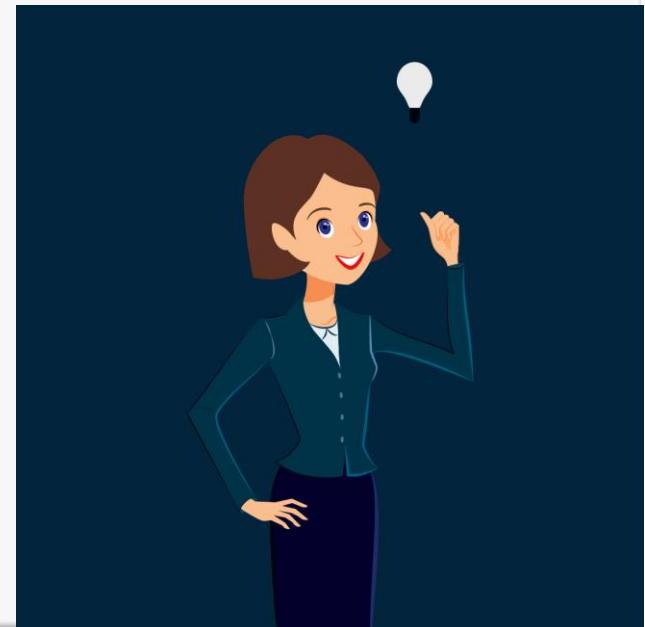


Entrepreneurial Activities

- The anticipation of the consumers:

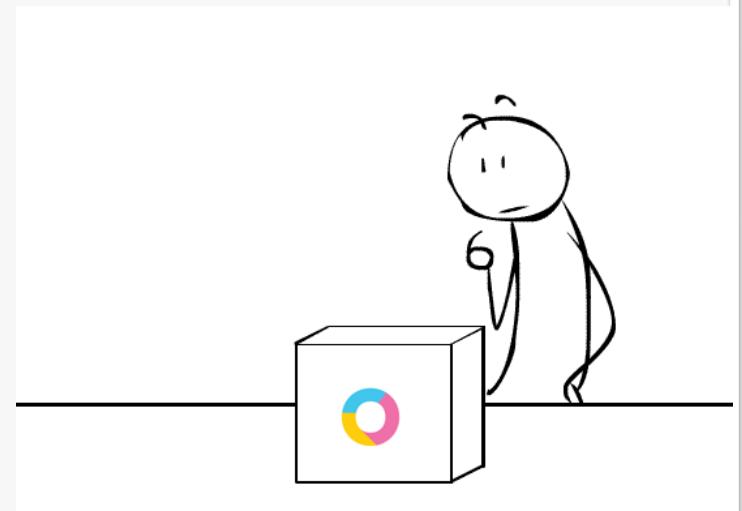
- Empathy:

- likes and dislikes
- feelings and behaviours
- tastes and fashions



Entrepreneurship

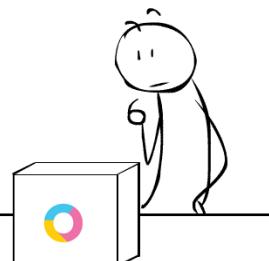
- the ability of entrepreneurs (Two Factors)
 - to assess the risks/ Opportunities
 - Power to achieve
 - establish businesses (1000 days)
 - a collective approach of the qualified individuals



Entrepreneurship

- **The other factors are:**

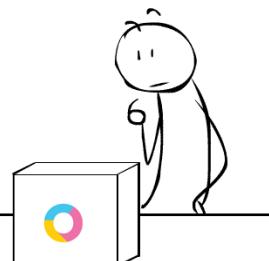
- The performance of speculative functions **to gain edge over others.**
- Considering **new factors of production**, time, technology and quality for success.
- Availing **new sources of capital**
- **Performing functions** of employer, master, merchant and undertaker.
- **Supply goods and services** which are hitherto unknown to consumers.
- **Find a new market** which is hitherto unexploited.
- **Seizing new opportunities** for exploitation.
- **Developing the less developed countries and developing nations**
- **Decision making** under uncertain situations.



Entrepreneurship

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Concept: Entrepreneurship

- propensity of mind to take calculated risks with confidence
- to achieve a pre-determined business or industrial objectives
- a risk-taking ability of the individual, broadly coupled with correct decision-making

Entrepreneurship: Definition

Joseph Alois Schumpeter:

Entrepreneurship is a process to shatter the status quo through new combinations of resources and new methods of commerce.



Entrepreneurship: Definition

- **Richard Cantillon:**

Entrepreneurship is a matter of foresight and willingness to assume risks, which is not necessarily connected with the employment of labor in some productive process.



Entrepreneurship: Definition

- **William Diamond:**

Entrepreneurship is equivalent to ‘enterprise’ which involves the willingness to assume risks in undertaking, an economic activity

particularly a new one.



Entrepreneurship: Definition

- **Jaffrey A. Timmons:**

Entrepreneurship is the ability to create and build something from
particularly nothing. A human creative activity.



Entrepreneurship: Definition

- Robert Lamb:

Entrepreneurship is that form of social decision which is performed by economic innovators.

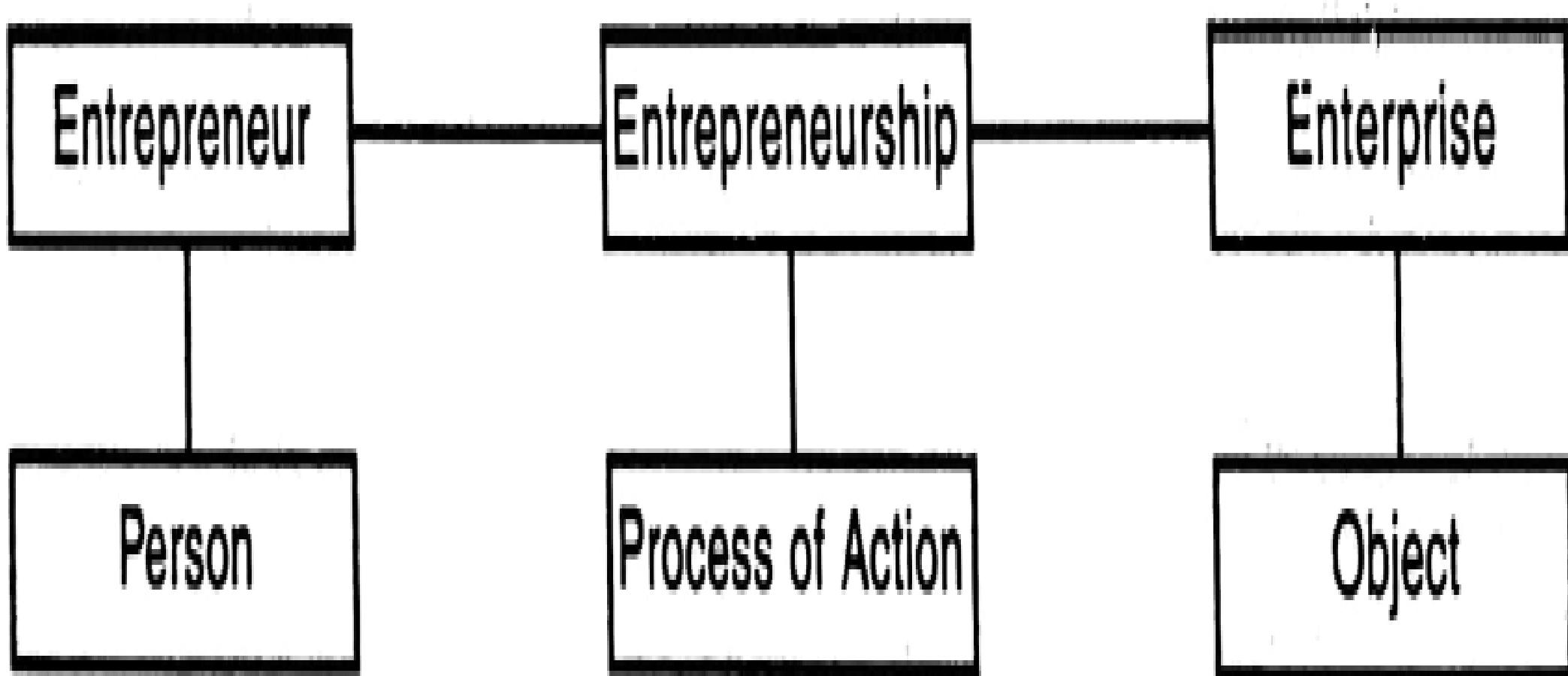
Entrepreneurship: Definition

- The Global Entrepreneurship Monitor:

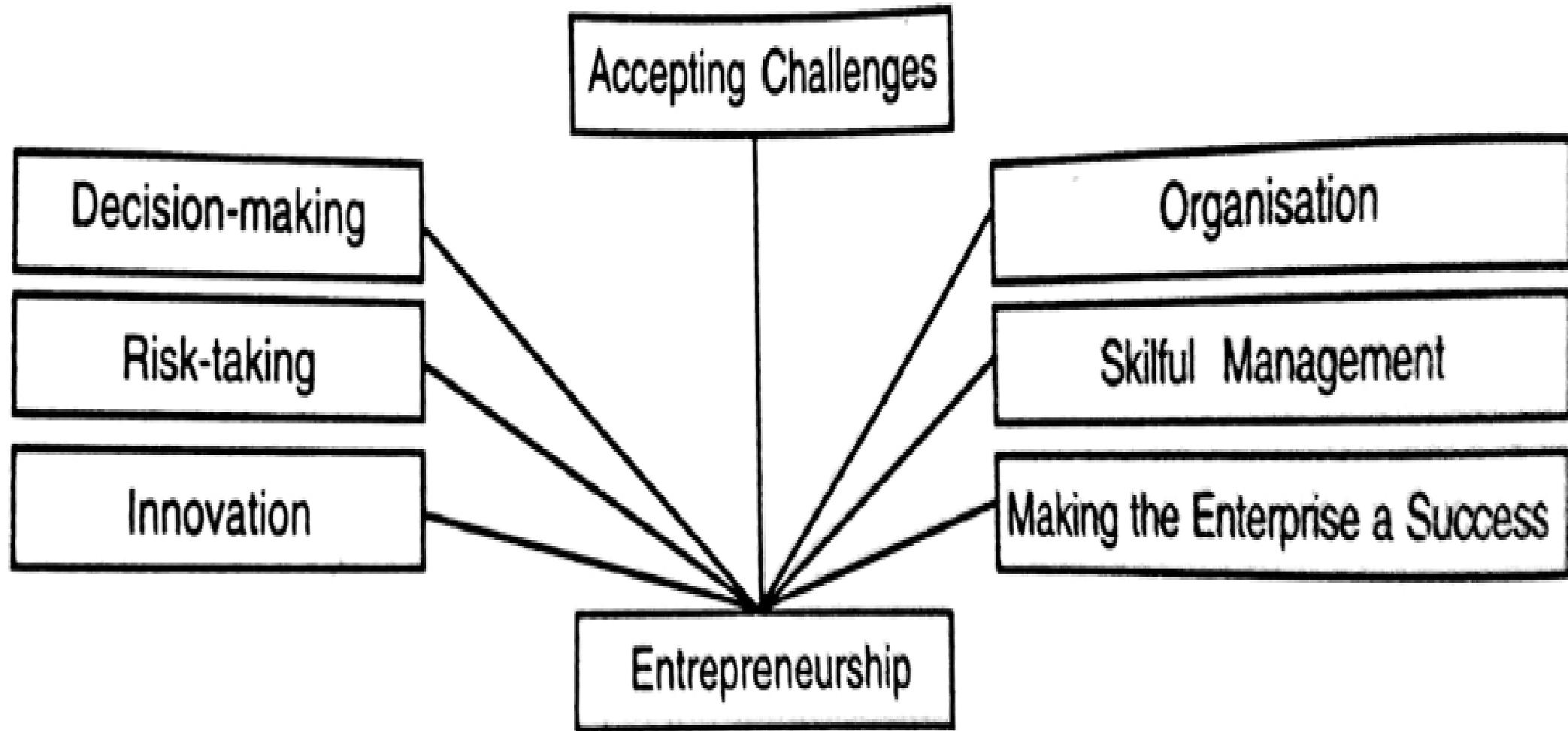
Entrepreneurship, the process of planning, organizing, operating, and assuming the risk of a business venture, is now a main stream activity.



Entrepreneurship: The Concept



Entrepreneurship: Characteristics



Entrepreneurship: Barriers

- **Cash flow management**
- **Hiring employees:** Long Process = Be executive
- **Time management:** Biggest Problem = Make time; Create Goal List
- **Delegating tasks:** Mess-ups and redo= find good employees
- **Choosing what to sell:** Unsure how to pick a niche = small steps to save time
- **Marketing strategy:** Maximized utilization = plans and utilization; plan for five years
- **Capital:** Little Capital = Earn funding
- **Strapped (Poor) budget:** Never have enough= Keep a close eye on your money
- **Business growth:** Illusions of growth = task delegation and proper track
- **Self-doubt:** Inferiority Complex = Self Planning; Task and goal list

Entrepreneurship: Barriers

1. Cash flow management

Sr.	Challenge	Solution
1	Struggle to pay the bills	Proper budgeting and planning
2	Waiting for checks to arrive	require a down payment for your products and services
3	Delayed invoicing (As entrepreneur has to pay on time)	require faster invoice payments (Complete payment immediately after delivery)
4		Request Vendors/supplier credit time

Tip: Good Service and good relations with vendor and Customer may help you to get some "breathing period"

Entrepreneurship: Barriers

2. Hiring Employees:

Sr.	Challenge	Solution
1	Not prospective candidates	Be exclusive
2	Process can take several days of your time: reviewing resumes, sitting through interviews	Take the time to seek real references
3	Sifting through so many unqualified candidates to find the diamonds in the rough	Assessment of Competence

Tip: Target excellence and competence...!

Entrepreneurship: Barriers

3. Time Management:

Sr.	Challenge	Solution
1	wear many (and all) hats	Create Goal List
2	BIGGEST TRAUMA: more time, you could accomplish so much more,	Make time
3	Unplanned multi-tasking	Priority Table/ other techniques

Tip: Remember you cannot master in all...!

Entrepreneurship: Barriers

4. Delegating Task:

Sr.	Challenge	Solution
1	Delegating task to right talent/competent	Find good employees
2	Fear to something get messed and you have to redo all the task	be ultra-specific as to what you want done
3	Issues in Outsourcing quality	

Tip: Remember you cannot master in all...!

Entrepreneurship: Barriers

5. Choosing what to Sell :

Sr.	Challenge	Solution
1	Choosing product and services	Find employees/alliance who are strong in this area
2	Budgeting and expenditure	Forecasting and Proper budgeting expertise
3	Market survey	SWOC/ ETOP like analysis

Tip: P-D-C-A...! And 'fail fast learn fast' approach

Entrepreneurship: Barriers

6. Marketing strategy:

Sr.	Challenge	Solution
1	Marketing/promoting medium	Creating a core marketing plans and placing ads
2	to maximize ROI with efficient, targeted marketing	outsource your marketing strategy
3		planner a budget

Tip: P-D-C-A...! And ‘fail fast learn fast’ approach

Entrepreneurship: Barriers

7. Capital:

Sr.	Challenge	Solution
1	to start or grow your business	Identify ways to earn funding e.g. traditional bank loans to family and friends to Kickstarter campaigns
2	Capital raising and management	focus on your initial core customers
3		

Tip: P-D-C-A...! And ‘fail fast learn fast’ approach

Entrepreneurship: Barriers

8. Strapped Budget:

Sr.	Challenge	Solution
1	never have enough in your budget	to prioritize your marketing efforts with efficiency in mind
2	Struggling with budget	spend your money where it works
3		reserve the rest for operating expenses and experimenting with other marketing methods

Tip: Remember “Money attracts more Money” so employ available funds (money) to attract more funds (Money)

Entrepreneurship: Barriers

9. Business growth:

Sr.	Challenge	Solution
1	can't take on any more work in your current structure	Create new processes that focus on task delegation
2	Reached at apex of capacity	
3		

Tip: Think and Grow Rich - Napoleon Hill

Entrepreneurship: Barriers

10. Self Doubt:

Sr.	Challenge	Solution
1	easy to get discouraged	a good support system will help: family and friends
2	Self-doubt creeps in, and you feel like giving up	an advisory board of other entrepreneurs who can objectively opine
3		

**Tip: One of the best ways to deal with self-doubt is to work on your goals and tasks list.
Tough time never last but tough people do- Robert Schuller**

Entrepreneurship and Economic Development

- Influential role in Economic Growth
- Improve standard of living
- Think locally act globally
 - Geology development
 - Nation development for international market

Contribution through

Wealth Creation and Sharing	Create Jobs	Balanced Regional Development
GDP and Per Capita Income	Standard of Living	Exports
Community Development		

Entrepreneurship and Economic Development

- **Wealth Creation and Sharing:**

- entrepreneurs invest their own resources and attract capital
 - Attract investors, lenders and public
 - mobilizes public wealth
 - allows people to benefit from the success of entrepreneurs and growing businesses
 - creation and distribution is one of the basic imperatives and goals of economic

Contribution through

Wealth Creation and Sharing	Create Jobs	Balanced Regional Development
GDP and Per Capita Income	Standard of Living	Exports
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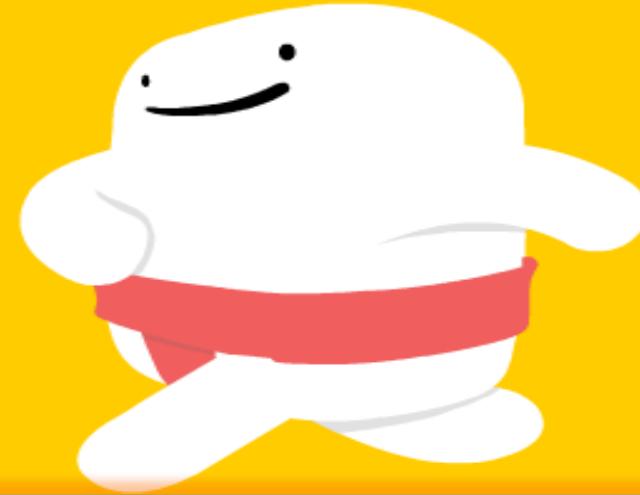
Entrepreneurship and Economic Development

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Innovation and Entrepreneurship

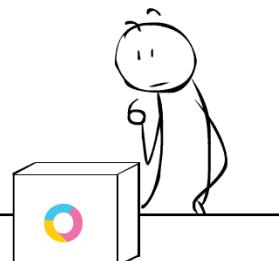


Entrepreneur

The hurdles Destroyer...!

Concept: Entrepreneur

- an important input of economic development
- a catalyst of development
- the wisest minds who leave an indelible mark in the history of mankind
- make it possible through their actions
- go-getter attitude
- unconditional energy
- accomplish task in different and unique way
- *nothing is impossible through perception and attitude*
- always something to learn
- Learning is not compulsory ... neither the survival
- the whole world is a laboratory



Entrepreneur: Before Definition

FRENCH

entreprendre

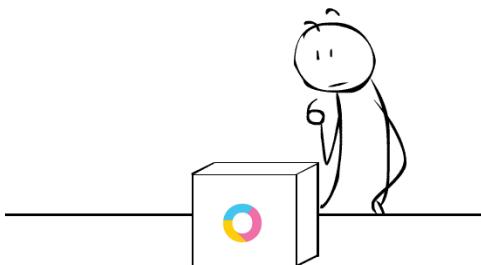
undertake

ENGLISH

enterprise

entrepreneur

early 19th century



Entrepreneur: Definition

- Richard Cantillon:



An entrepreneur is a **person** who buys factor services at certain prices with a view to selling its product at uncertain prices. Thus, to Cantillon, an entrepreneur is a **bearer of risk which is non-insurable**.



Entrepreneur: Definition

- Peter Drucker:



“An entrepreneur searches for change, responds to it and exploits opportunities. Innovation is a specific tool of an entrepreneur hence an effective entrepreneur converts a source into a resource.”



Entrepreneur: Definition

- **Albert Shapero:**



“Entrepreneurs take initiative, accept risk of failure and have an

internal locus of control.”



Entrepreneur: Definition

- **Gilbraith:**



“An entrepreneur must accept the challenge and should be willing hard
to achieve something”

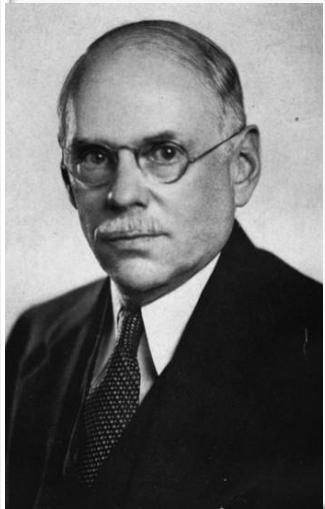


Entrepreneur: Definition

- F. H. Knight (in article on Risk, Uncertainty, and Profit):



“Entrepreneur are a specialized group of person who bear risks and deal with uncertainty.”



Basic concepts

Entrepreneurship: Characteristics (2/2)

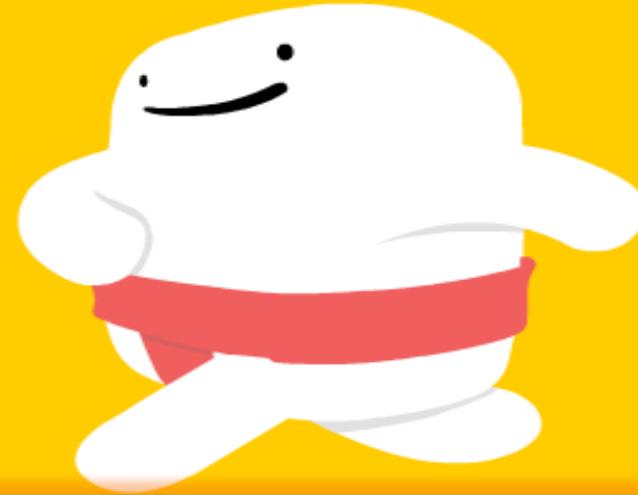
- ✓ Ability to take risk
- ✓ Innovation
- ✓ Mindset- Vision, Mission and, B-HAG
- ✓ Flexible
- ✓ Agile
- ✓ Persistent
- ✓ Open for new Ideas.

Basic concepts

Entrepreneurship: Habits (3/3)

1. Get enough Sleep : Lewis Howes (YouTube)
2. Invest in yourself: Warren Buffet
3. Work Hard: Muhammad Ali
4. Develop Discipline: Tom Belyeu (YouTube)
5. Forgive: John Paul DeJoria (an Entrepreneur)
6. Stop Procrastinating: Myles Munroe (Minister, Bahamian)
7. Take Small Actions: Marisa Peer (YouTube)
8. Overcome Doubts: Brendon Burchard (Author)
9. Stay Positive: Randy Jackson (Musician) & Stay away from Naysayers (Arnold S.)
10. Pursue Excellence: Robin Sharma

Innovation and Entrepreneurship



Types of Entrepreneur

Multi-role approach...!

Basic concepts: Entrepreneurship

Entrepreneurship:

- ✓ **Mixed Entrepreneurship:**
 - ✓ Employee Entrepreneurship / Intra-prenuership
 - ✓ Capitalist Entrepreneurship
- ✓ **Pure entrepreneurship:**
 - ✓ includes all the activities identified by the entrepreneur as high efficiency actions
 - ✓ take advantage of the key traits of his entrepreneurial personality

Basic concepts: Entrepreneurship

Entrepreneurship:

- ✓ **Social Entrepreneurship:**
 - ✓ Aims to meet social and humanitarian needs
 - ✓  **YouTube** **through effective operation of its components**
 - ✓ : https://youtu.be/zNpNeNIb_3M

Basic concepts: Entrepreneurship

Entrepreneurship:

- ✓ **Collaborative Entrepreneurship:**
 - ✓ aims mainly to the benefits of cooperative entities
 - ✓ key implementation areas in specific economic sectors and production branches of agricultural products
- ✓ **Types of Collaborative entrepreneurship:**
 - ✓ Internal
 - ✓ External

Basic concepts: Entrepreneurship

Entrepreneurship:

- ✓ **Collaborative Entrepreneurship: Internal**
 - ✓ Describe the existence of inherent entrepreneurial tendencies of big company employees
 - ✓ Cultivated by:
 - ✓ Rendering the senior staff personally responsible either for the preparation of a budget corresponding to their tasks, or
 - ✓ Managing their departments as independent self-managed companies, regarding budget preparation and control
- ✓ **Types of Collaborative entrepreneurship:**
 - ✓ Internal
 - ✓ External

Basic concepts: Entrepreneurship

Entrepreneurship:

- ✓ **Collaborative Entrepreneurship: Internal**
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 - ✓ **Cultivated by:**
 - ✓ Rendering the senior staff personally responsible either for the preparation of a budget corresponding to their tasks, **or**
 - ✓ Managing their departments as independent self-managed companies, regarding budget preparation and control
 - ✓ Focuses on initiative and spirit of enterprise

Basic concepts: Entrepreneurship

Entrepreneurship:

- ✓ **Collaborative Entrepreneurship: Internal**
 - ✓ Focuses on initiative and spirit of enterprise:
 - ✓ an executives behave as if s/he owns the company
 - ✓ cognitive state which exhibits **distinct characteristics**

Basic concepts: Entrepreneurship

- ✓ **Collaborative Entrepreneurship: Internal**
 - ✓ The following are the Distinct Characteristics:
 - ✓ Persistence and determination manifesting themselves with hard work
 - ✓ Willingness to take risks but only after careful research about the chances of success
 - ✓ Understanding, how the market functions, particularly in relation to identifying new opportunities
 - ✓ Reluctance to be trapped in conventionality and the gears of bureaucracy, with an aversion to restrictive regulations

Basic concepts: Entrepreneurship

✓ **Collaborative Entrepreneurship: Internal**

- ✓ The following are the Distinct Characteristics:
- ✓ Enthusiasm for exercising entrepreneurial activities, emotional commitment to an organization
- ✓ ability to inspire confidence in subordinates
- ✓ self-confidence to external suppliers, customers and other third parties
- ✓ Creative, Focused, Team Player and Individual achiever

Basic concepts: Entrepreneurship

Entrepreneurship: (3/2)

- ✓ **Collaborative Entrepreneurship: External**
 - ✓ includes elements of external business environment affecting a company, either directly or indirectly
 - ✓ **Types:**
 - ✓ General
 - ✓ Specific

Basic concepts: Entrepreneurship

✓ Collaborative Entrepreneurship: External

✓ General:

- ✓ deals with sizes and forces which somehow affect the life and work of the agencies
- ✓ situations prevailing and the driving forces developing in its context affect each and every business

✓ Factors: (1/2)

- ✓ The general economic situation
- ✓ Technology
- ✓ Moral Convention and Social Values
- ✓ Political Climate
- ✓ Law and Constitution

Basic concepts: Entrepreneurship

✓ Collaborative Entrepreneurship: External

✓ General:

✓ Constitutional Factors: (1/2)

- ✓ Population
- ✓ Natural Wealth
- ✓ Competitors
- ✓ Customers
- ✓ Suppliers
- ✓ Professional Associations
- ✓ Pressure Groups
- ✓ Unions of Employees
- ✓ Partner Enterprise

Basic concepts: Entrepreneurship

✓ Collaborative Entrepreneurship: External

✓ General:

✓ Constitutional Factors: (1/2)

- ✓ Population
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Economic Theories: Entrepreneurship

Risk Taker –
Richard
Cantillion, 1755

Capitalist –
Adam Smith,
1776, David
Ricardo, 1871

Technological
Knowledge –
Jeremy
Bentham,
1838

Risk Taker &
Innovator –
Von Thunen,
1850

Economic
Change – Carl
Menger, 1871

Capitalist –
Amasa Walker,
1866, Francis A.
Walker, 1887

Novel
Resource
Combination –
Alfred
Marshall, 1920

Risk Taker &
Uncertainty
Avoidance –
Frank Knight,
1921

Innovator –
Joseph
Schumpeter,
1952

Alertness –
Isreal Kirzner,
1973

Innovation and Entrepreneurship

Incubator

The predator for Entrepreneurship
problems...!

What is Incubation?: https://youtu.be/8_B2UiDMK1s

Entrepreneurship and Innovation Practices

✓ Entrepreneurship and Innovation Practices

✓ Innovation:

✓ The Outcome

✓ Entrepreneurship:

✓ The process

Entrepreneurship and Innovation Practices

✓ Innovation Practices

- ✓ Doing something Different rather something better
- ✓ Innovation is about society and economics
- ✓ Innovation is a diagnostic discipline
- ✓ Organizations: Resources, Processes, and Culture
- ✓ Increase the yield of resources
- ✓ A culture of innovation
- ✓ A process that support invention

Entrepreneurship and Innovation Practices

✓ Entrepreneurship Practices

✓The purpose and organized search for changes and the systematic analysis of the opportunities such changes might offer for economic or social innovation

Entrepreneurship and Innovation Practices

✓ Sources Of innovation - Internal

- ✓ The expected
- ✓ The Incongruity
- ✓ The Process Need
- ✓ Changes in Industry: Structure/Market Need

Entrepreneurship and Innovation Practices

✓ Source of Innovation-External

✓ Demographics

✓ Changes in Perception

✓ New Knowledge

Entrepreneurship and Innovation Practices

- ✓ Entrepreneurship
- ✓ Entrepreneurship is an behaviour rather than a personality trait

Entrepreneurship and Innovation Practices

✓ Entrepreneurship

✓ DO

✓ Be systematic

✓ Inquire, listen, perceive

✓ Keep it simple, retrospectively obvious

✓ Start Small

✓ Aim for Leadership

Entrepreneurship and Innovation Practices

✓ Entrepreneurship in large organization

✓ Employees

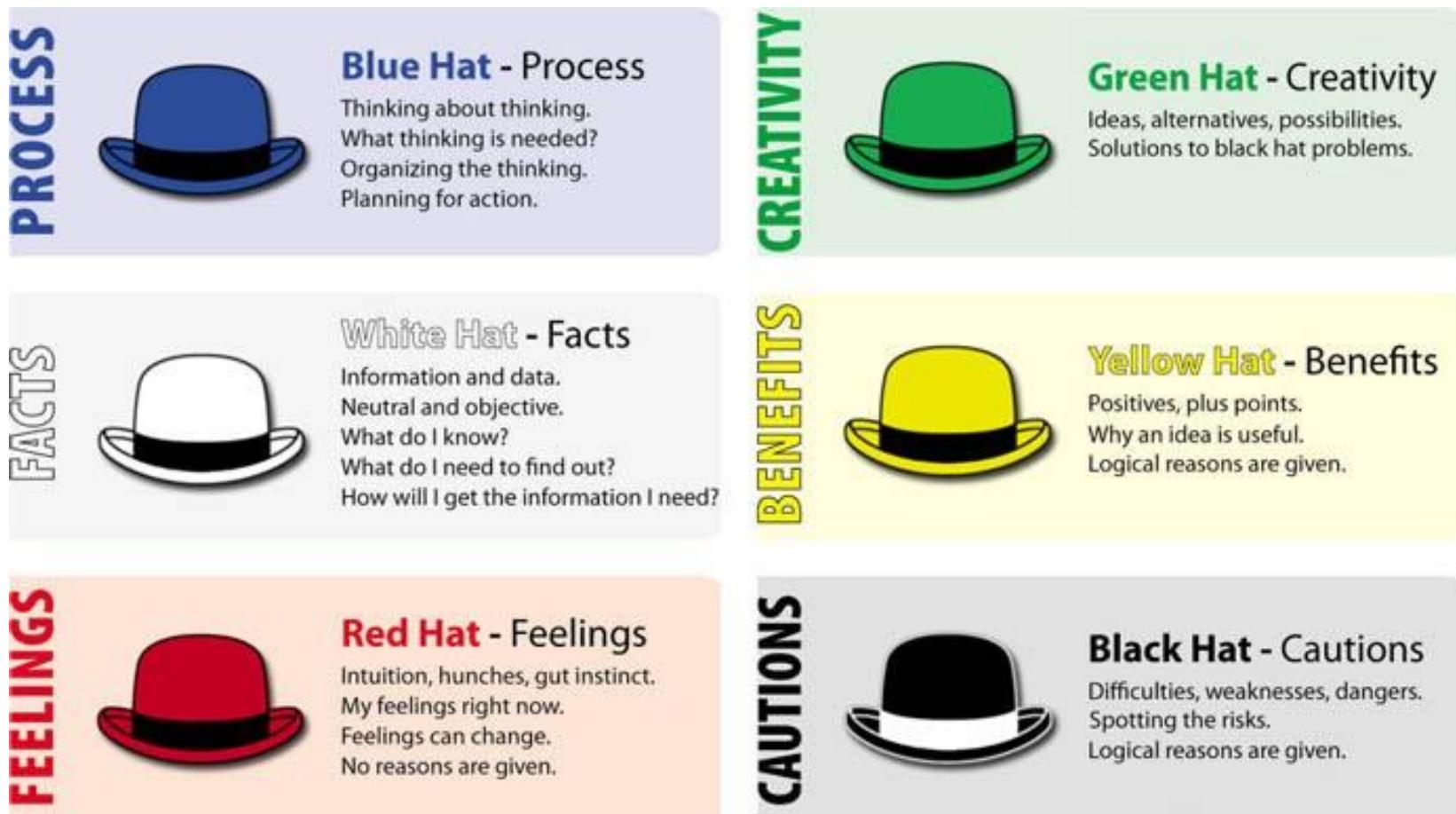
- ✓ Hit your 5's: Sort – Set – Shine – Standardize – sustain
- ✓ Organization's abilities and disabilities
- ✓ Think about the opportunities at micro-economic level
- ✓ Make your boss successful
- ✓ Fail Fast
- ✓ Ignore everything that's said, watch everything that's done
- ✓ Accept the certain amount of idiocy (Stupidity)

Entrepreneurship and Innovation Practices

- ✓ Entrepreneurship in large organization
- ✓ Management:
 - ✓ Innovation requires work
 - ✓ Abandon the old and reprioritize
 - ✓ Be greedy but for new things
 - ✓ 6 thinking hats: Green and Yellow

Entrepreneurship and Innovation Practices

✓ 6 thinking hats: Green and yellow



Entrepreneurship and Innovation Practices

✓ Entrepreneurship in large organization

✓ **Management:**

✓ Innovative efforts have a high probability of failure

✓ Focus on opportunity not BAU

✓ Listening rather than talking

✓ know about risk and risk elimination

✓ Separate the new from the old

✓ be accountable

Entrepreneurship and Innovation Practices

✓ To Success

✓ Technical Excellence

- ✓ Demonstrable track record
- ✓ Exemplar
- ✓ External Approval

✓ Business Excellence

- ✓ Understand the stuff you're not expected too
- ✓ know your audience
- ✓ Selling
- ✓ Listen

✓ Execution Excellence

- ✓ Gets things done
- ✓ Tenacity
- ✓ Understand the organization

Entrepreneurship and Innovation Practices

✓ Case Study

✓ Pan Masala Industry a Complete Circle:

✓ <https://youtu.be/O8mYGgjc2NY>

✓ Lijjat Papad Case Study

✓ <https://youtu.be/EdpoEmifW7M>

✓ Conclusion:

- ✓ It is an economic discipline
- ✓ Need to be explicit about innovation
- ✓ It takes time
- ✓ Easier and Harder in large
- ✓ Successful Innovation = Longevity
 - ✓ Microsoft, IBM etc.,
- ✓ Unsuccessful Innovation = Death
 - ✓ Kodak, Nokia,, etc

Happiness: 10 Habits of success and Happiness

1. Get enough Sleep : Lewis Howes (YouTube)
2. Invest in yourself: Warren Buffet
3. Work Hard: Mahammad Ali
4. Develop Discipline: Tom Belyeu (YouTube)
5. Forgive: John Paul DeJoria (an Entrepreneur)
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9. Stay Positive: Randy Jackson (Musician) & Stay away from Naysayers
(Arnold Schwarzenegger)
10. Pursue Excellence: Robin Sharma

Happiness: 10 books of success and Happiness

- 1. The Alchemist: Paulo Coelho**
- 2. The One Thing: Gary W. Keller, Jay Papasan**
- 3. Think and Grow Rich: Napoleon Hill**
- 4. Tough time never last but tough people do.....! Robert Schuller**
- 5. Rich Dad-Poor Dad: Robert Kiyosaki, Sharon Lechter**
- 6. How to win friends and influence people: Dale Carnegie**
- 7. The 7 Habits of Highly Effective People: Stephen R. Covey**
- 8. You can Heal Your Life by Louise L. Hay**
- 9. Who will cry when you die: Robin Sharma**
- 10. Who Moved My Cheese: Spencer Johnson**



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Winning Formula is.....
Find your **8th Habit** which will make
you happily successful.. Because

