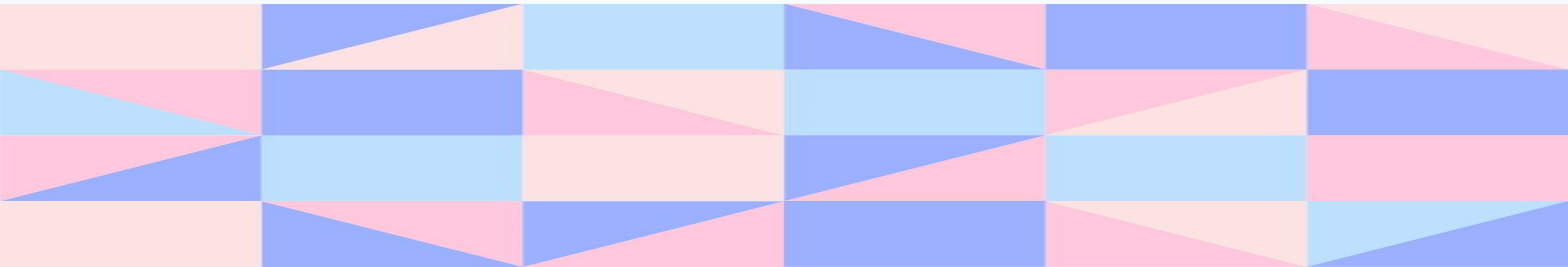


ENTREPRENEURSHIP & INNOVATION

Unit - I



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Difference between Innovation, Entrepreneurs and Intrapreneurs

Characteristics	Innovators	Entrepreneurs	Intrapreneurs
Definition	People who bring something new to market, whether it be a product, service, method, model or idea, are known as innovators	People who are able to turn valuable ideas into viable business prospects are known as entrepreneurs	People who are idea maker, and the decision to implement lies with the organization they work.
Skill sets	Creative thinking and the ability to explore are prerequisites for innovators.	Skill sets such as leadership, commitments, hard effort, being risk averse, management ability, and also planning ability are necessary for entrepreneurs.	Skill sets Such as Vision, leadership, Creativity, confidence, eagerness to learn, flexibility, Competitiveness Low risk takers
Risk-taking	Most inventors are not risk takers	Entrepreneurs are risk takers	Low risk takers
Interest	When an innovation reaches the point when it is introduced to the market, the inventors who came up with the concept lose interest in it and either go on to further refine the idea themselves or move on to inventing a new product.	Entrepreneurs are those who invest all of their efforts into a business endeavor in the hopes that it will be profitable.	Less of interest as the money, people and other resources are funded by organization

WHAT MAKE SOMEONE AN ENTREPRENEUR?



Are you an entrepreneur?

Am I an entrepreneur?

Is it gentic?

“Trailblazing!”

“Problem Solving”

“Innovation”

“Passionate!”

Fact Sheets

Globally, one in eight adults is actively engaged in launching a business.

In the United States, **4,76,000** new business ventures are launched **each month**.

whereas in India, **90,000 startups** from nearly 400 in **last eight years**: Science and Technology Minister Dr Jitendra Singh.

U.S downsizing in a company of 500 or more employee shed 1.7 million while small business with fever than 20 employees created 287000 net job (**Small is beautiful**)

Benefits for being an entrepreneur

Faster in exploit market opportunity

Control own destiny by building their own business

Foster economic development & global economy

Freedom of choice

Pushed technological frontier

Created new jobs

Opened foreign market & Employment security & success



Fact
Sheets

Entrepreneur

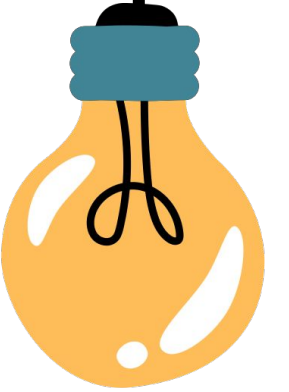
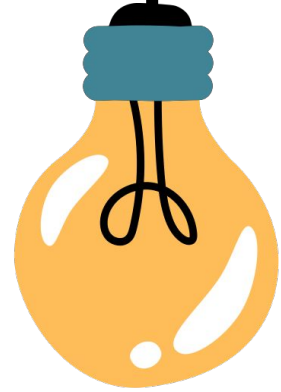
An entrepreneur is someone who sees a need and takes on the financial risk to start a business to fill that need.

An entrepreneur is a person responsible for setting up a business or an enterprise. He has the initiative, skill for innovation and who looks for high achievements. He is a catalytic agent of change and works for the good of people.

In 18th century Irish-French economist Richard Cantillon defined an entrepreneur as someone who takes on business risks to make a profit, distinguishing between the guaranteed payments to employees and the uncertain income of the business owner or entrepreneur.



Concept of Entrepreneurship



Entrepreneur



Entrepreneurship



Enterprise



**Person
(Subject)**



**Process of action
(Verb)**



**Outcome
(Object)**

Entrepreneurship

The word "**entrepreneurship**" is derived from the French word "**entreprendre**," which means "**to undertake**." The concept and term have been around for centuries, but it was the Irish-French economist Richard Cantillon who first used the term in a business context in the 18th century.

According to Wennekers and Thurik An Entrepreneurship is the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organizations to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations), and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions.

Finally, entrepreneurship can be understood as, An economic process where an idea is generated or an opportunity is created, refined, developed and implemented, while exposed to uncertainty to realize a profit by effective utilization of resources.

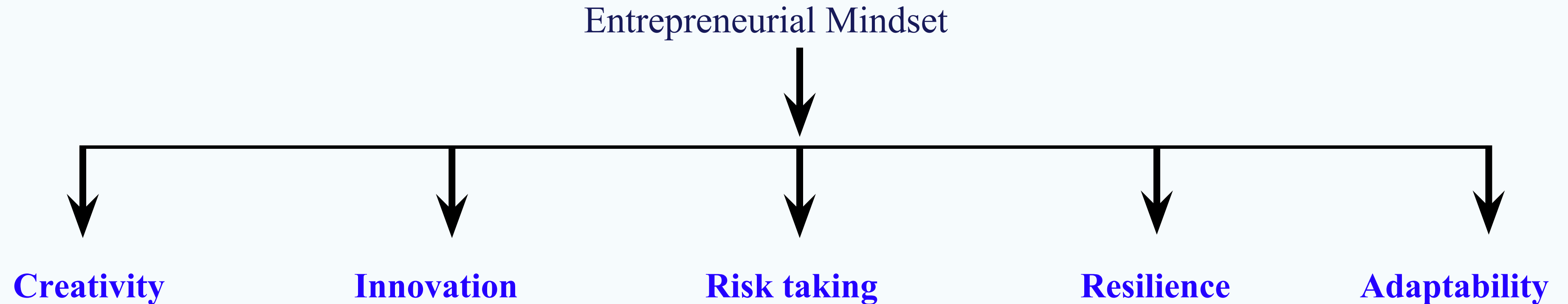
Evolution of Entrepreneurship

Era	Characteristics
Pre-Industrial Age	Subsistence Entrepreneurship, Craftsmen and Artisans
Industrial Revolution (18th to 19th Century)	Innovation of Production, Rise of Industrialists
Early to Mid-20th Century	Corporatization, Franchising
Late 20th Century	Technology Boom, Venture Capital, Globalization
Early 21st Century	Dot-com Bubble, Social Entrepreneurship, Start-up Culture
Present and Future Trends	Digital Transformation, Gig Economy, Intrapreneurship, Sustainable Entrepreneurship, Rise of Entrepreneurial Ecosystems, Democratization of Entrepreneurship

Entrepreneurial Mindset

The entrepreneurial mindset is a set of attitudes, skills, and behaviours that enable individuals to identify opportunities, overcome obstacles, and achieve success in various settings, particularly in business ventures. This mindset is not limited to entrepreneurs in the strict sense but is valuable in a range of contexts including within established organizations [intrapreneurship].

Key Characteristics of the Entrepreneurial Mindset:



- **Creativity:** It involves thinking outside the box and producing innovative solutions to problems. Creativity is not just about new ideas, but also about the innovative application of existing solutions in new contexts.
- **Innovation:** Entrepreneurs constantly seek to improve processes, products, or services, often through disruptive means. Innovation involves implementing new ideas that add value to the business or the market.
- **Risk-Taking:** This involves the willingness to take calculated risks, understanding that failure is a possibility but seeing the potential benefits as outweighing the risks. Risk-taking in entrepreneurship doesn't mean reckless behaviour but rather a thoughtful assessment of the potential downsides and upsides of a decision.
- **Resilience:** Entrepreneurship is often a path filled with challenges and setbacks. Resilience is the ability to recover quickly from difficulties, learn from failures, and keep moving forward.
- **Adaptability:** In a rapidly changing business landscape, the ability to adapt to new conditions, markets, and technologies is crucial. Adaptability means being flexible and open to change and being able to pivot when necessary.

Entrepreneurship in India

Entrepreneurship development in India took off in the early 2000s and has been a transformative force for the nation's economy. This momentum has been fueled by the growth of the Indian economy, increased access to **venture capital, the advent of incubators, and a vast reservoir of talent**. India is ranked fourth out of 51 countries in terms of the quality of its entrepreneurship ecosystem according to the Global Entrepreneurship Monitor (GEM) National Entrepreneurship Context Index (NECI).

Entrepreneurial development programmes in India:

1

Industrial Motivation Campaigns (IMCs) - It is a two-day initiative to identify and inspire individuals to embark on the entrepreneurial journey, specifically through establishing a Mid-Sized Enterprise (MSE).

2

Entrepreneurship Awareness Programmes (EAPs) - These programmes aim to educate and engage the youth about entrepreneurship and are conducted in ITIs, Polytechnics, and other technical institutions.

3

Entrepreneurship-cum-Skill Development Programme (E-SDP): -It is an intensive training programme that provides a comprehensive upskilling experience for prospective entrepreneurs, the existing workforce, and technicians of MSEs.

4

Management Development Programmes (MDPs): - These are short-duration training programmes aimed at enhancing the decision-making abilities of existing, aspiring, and potential entrepreneurs, resulting in improved productivity, efficiency, and profitability.

Challenges faced by entrepreneurs in India?

Lack of capital or financing

Regulatory environment

Awareness and accessibility

Infrastructure

Types of economy in entrepreneurship

Factor driven economy

Factor-driven economies are where countries compete based on their factor endowments (i.e., unskilled labor and natural resources).

Zambia

Algeria

Iran

Egypt

Efficiency-driven economics

It deal with increased competitiveness and productivity, which will yield to an increase in overall development and better wages.

Argentina

Turkey

India

Egypt

Innovation-driven economies

The innovation economy is based on the creative ability of individuals to come up with and implement new ideas, products, and services rather than the physical attribution to a specific product.

Austria

United State

United Kingdom

Egypt

Examples

Intrapreneurship

Intrapreneurship involves nurturing and utilizing entrepreneurial talent and ideas within a larger organization. It's about empowering employees to think and act like entrepreneurs, even though they do not own the business.

Importance of Intrapreneurship

- **Fosters Innovation:** By encouraging intrapreneurial behaviour, companies can innovate from within, keeping their products, services, and operations fresh and competitive.
- **Enhances Agility:** It helps organizations become more agile and responsive to market changes, a crucial factor in today's fast-paced business environment.
- **Improves Employee Engagement:** When employees are encouraged to be intrapreneurs, they often feel more motivated and engaged, leading to higher productivity and job satisfaction.
- **Attracts and Retains Talent:** Many talented professionals seek workplaces that allow them to express their creativity and drive. Intrapreneurial cultures are attractive to such individuals.
- **Drives Growth and Profitability:** Intrapreneurial projects can open new revenue streams, improve operational efficiency, and ultimately contribute to the organization's growth and profitability.

Common Challenges in Developing an Entrepreneurial Mindset

Fear of Failure:

Many aspiring entrepreneurs fear the repercussions of failure, both financially and in terms of reputation.

Risk Aversion:

A natural inclination to avoid risks can hinder the entrepreneurial spirit.

Lack of Creativity and Innovation:

Feeling stuck in traditional ways of thinking can limit entrepreneurial potential

Resistance to Change:

Comfort with the status quo and fear of the unknown can prevent adaptive and proactive behaviour.

Limited Problem-Solving Skills:

Difficulty in effectively solving problems can impede progress.

Difficulty in Goal Setting and Time Management:

Struggling to set clear goals and manage time effectively can lead to inefficiency and overwhelm.

Solutions:

Fear of Failure:

Cultivate a positive attitude towards failure, viewing it as an opportunity to learn and grow. Embrace small failures as part of the journey.

Risk Aversion:

Start with small risks to build confidence. Learn to evaluate risks logically, balancing potential rewards against possible losses.

Lack of Creativity and Innovation:

Regularly engage in activities that foster creativity. Collaborate with others for diverse perspectives and ideas.

Resistance to Change:

Actively seek new experiences and knowledge. Stay informed about industry trends and be open to adjusting strategies and goals.

Limited Problem-Solving Skills:

Develop problem-solving skills through practice and training. Approach challenges systematically and learn from past experiences.

Difficulty in Goal Setting and Time Management:

Use goal-setting frameworks and time management tools. Break down larger goals into smaller, actionable steps.

Functions of an entrepreneur

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graph TD; A[Functions of an entrepreneur] --> B[Entrepreneurial Functions]; A --> C[Promotional Functions]; A --> D[Managerial Functions]; A --> E[Commercial Functions]; B --> B1[Innovations]; B --> B2[Risk Taking]; B --> B3[Organisation building]; C --> C1[Investigation of Ideas]; C --> C2[Detailed Investigation]; C --> C3[Assembling Requirement]; C --> C4[Financing the Proposition]; D --> D1[Planning]; D --> D2[Organizing]; D --> D3[Staffing]; D --> D4[Directing]; E --> E1[Production]; E --> E2[Finance]; E --> E3[Marketing]; E --> E4[Personnel];
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Entrepreneurial Functions

Innovations

Risk Taking

Organisation building

Promotional Functions

Investigation of Ideas

Detailed Investigation

Assembling Requirement

Financing the Proposition

Managerial Functions

Planning

Organizing

Staffing

Directing

Commercial Functions

Production

Finance

Marketing

Personnel

Entrepreneurial function

Creativity

The first function of entrepreneur is the **ability to introduce new ideas, products, processes, or business models** into the market. It involves **identifying opportunities for improvement and creating solutions** that meet customer needs uniquely.

Example: Elon Musk's Tesla, revolutionized the automotive industry by introducing electric vehicles with cutting-edge technology.

Risk-Taking

Entrepreneurs are willing to take **calculated risks** and **make decisions** with **uncertain outcomes** to **pursue opportunities**. They understand that the **potential** for **rewards** often comes with **inherent risks**.

Example: Richard Branson's Virgin Group, which expanded from a small record store to a diverse conglomerate encompassing airlines, media, telecommunications, and more, despite the risks associated with entering various industries.

Organization Building

Entrepreneurs are responsible for building and managing organizations to bring their ideas to fruition. This involves assembling a team, creating a structure, and establishing processes to ensure the efficient operation of the venture.

Example: Mark Zuckerberg's Facebook started as a small dorm room project and grew into a global social media platform with thousands of employees and a complex organizational structure.

Promotional function

Investigation of Ideas

Detailed Investigation

Assembling requirement

Financing the preposition

How idea are generated

Innovative ideas can be traced to three main sources:

Our Passion

Sometimes you start doing something as a hobby, like art. But then you might get commission requests from people you don't even know. So, if you take a risk, that hobby could become a full-time job.

Our complaints

There must be something that bugs you, whether it's tangled headphones or a lack of movies directed by women. **Dropbox was founded** because someone was annoyed they kept forgetting their thumb drive.

Our egos

Our egos are a great place to find innovation and motivation. Uber and Lyft looked at the taxi industry and saw something outdated and clunky. So they made sleek apps with automated payments and directions. Now, obviously, there can be overlap between these three motivations. You might be able to make better apps than big corporations that's ego

Think of your idea as the beginning.

Detailed Investigation



Acknowledging you have an idea

Share your idea with Surrounding

- Customers who might have the problem we're trying to solve.
- People who can help us think through our idea.



Understanding the problem at the root of your idea.

We can also look to professionals who might be able to connect us to established entrepreneurs in the field or available resources. For example, we could look for a college campus with professors in entrepreneurship or entrepreneurial consulting. Or turn to entrepreneurial networking groups, like those in co-working spaces.

BUT before we get carried away, we have to remember: we're still making sure our idea is good and talking with potential customers.



Assembling Requirement

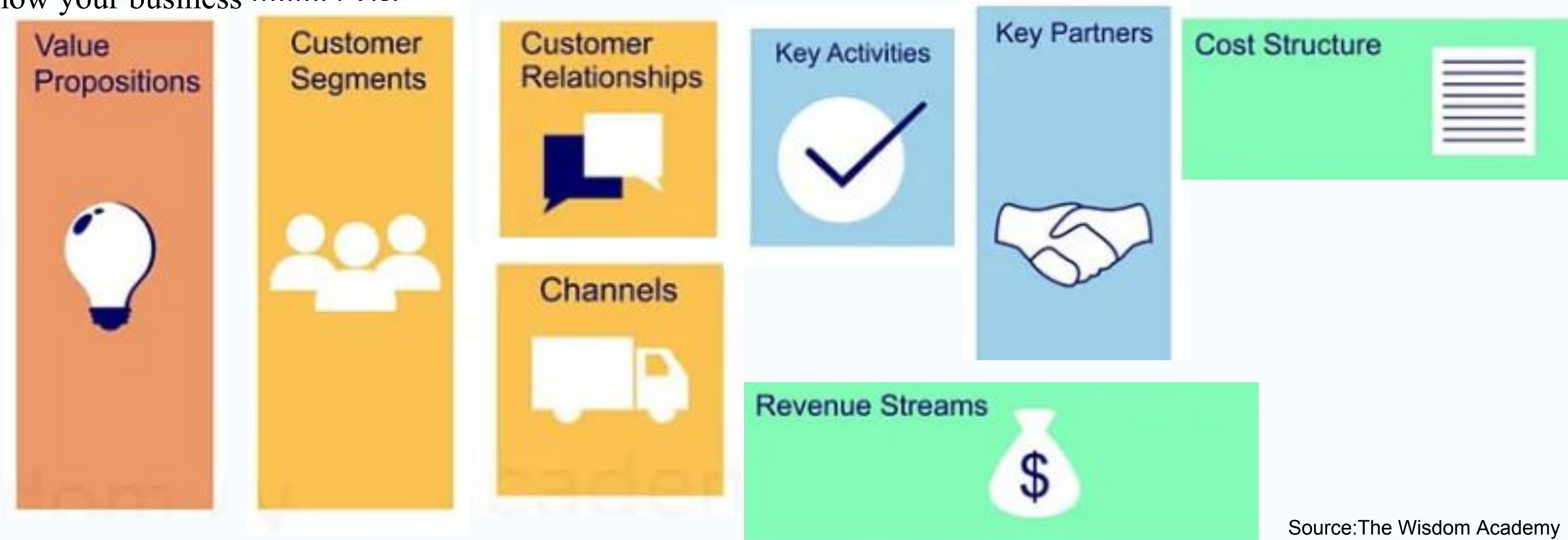
The next step in workshopping an idea is to think big about the **fundamental pieces of your business**. And a great way to do that is with a **business plan tool like the Business Model Canvas**,

Financing the proposition

You can take financing either from a bank or from venture capitalist.

Most lenders care about **your story**, proof **your idea** works and is wanted, an understanding of your customers, and your financial plan, which often takes 5-10 pages tops.

Business Model Canvas has sections for all those things!, it collects all your thoughts about your idea and visualize how your business might exist



Types of Entrepreneurship

1. Small business entrepreneurship

Small business entrepreneurship is the process of developing, launching, and running a [small business](#) enterprise. Small businesses typically include a lean and agile staff with modest business operations that grow organically. Financing small business entrepreneurship can take time, and common small business funding options include self-funding, [crowdsourcing](#), [grants](#), investors, and [small business loans](#)—including those through [Shopify Capital](#).

2. Large company entrepreneurship

Large company entrepreneurship is the process of established companies innovating new products, services, and ideas based on market considerations. Large company entrepreneurship aims to reinvent an existing brand to make it more valuable and relevant to the current marketplace.

3. Social entrepreneurship

Social entrepreneurship involves a business model designed to address a particular social issue. Social entrepreneurs seek innovative solutions to problems in our society, including pollution, poverty, and student debt. By allocating time and money toward socially responsible goals like equitable economic development or wildlife conservation, social entrepreneurs may prioritize a triple bottom line that focuses on profit, people, and the planet.

4. Innovative entrepreneurship

Innovative entrepreneurship is the process of generating innovative ideas for a new business, product, or service. Innovative entrepreneurs focus on unique solutions to problems other entrepreneurs have failed to solve or even consider. By developing innovative services, products, and business models, innovative entrepreneurs seek ways to change the status quo in their industry.

5. Intrapreneurship

Intrapreneurship is the practice of working with an entrepreneurial mindset within an established organization. Intrapreneurship grows within company systems that empower their employees to think of new ways to improve their products, services, or business practices. Similar to other types of entrepreneurs, intrapreneurs are self-motivated, resilient, and innovative.

6. Adoptive entrepreneurship

Adoptive entrepreneurship is the process of trying to build on and improve an existing business model, product, or service. Adoptive entrepreneurs have a comprehensive understanding of the business landscape in their particular industry, and they use that knowledge to identify how other companies are succeeding. Adoptive entrepreneurs seek to build profitable business ventures inspired by their direct competitors. Rather than mere imitation, adoptive entrepreneurship involves improving on a pre-existing idea in the marketplace.

Netflix

Let's explore the Business model canvas using a company Netflix, For each section, we need to answer a key question.

Value Proposition:

What is the **value we deliver** to our **customers**?
Netflix leverages technology for global audiences who want on-demand, customized entertainment.

Customer Segments

Who **even are they**?
In 2019, over 50% of Netflix's business came from subscribers outside the U.S. They use internal algorithms to predict and offer certain programs to certain demographics.

Customer Relationships

What type of **relationship** do our **customers** expect us to establish?
Netflix customers expect quality programming, good predictive suggestions, excellent customer service, and high-end technology performance.

Channels

How are we reaching to our customers?
Netflix uses email, streaming apps, and social media campaigns to communicate with customers. (they're even on SnapChat.)

Key Activities

What do we actually do?
Netflix licenses existing content and creates their own that they deliver through an online platform. And they do all the usual business things like sales and marketing.

Netflix

Conti...

Key Resources	Key Partners	Revenue Streams	Cost Structure
<p>What do we need to do with those things?</p> <p>Netflix have so many resources such as</p> <ul style="list-style-type: none">• Content writer• in-house studios• engineers for website & apps• Internal teams	<p>Who do we need to team up with in order to deliver our value proposition?</p> <p>Netflix partners with law firms, studios, agents of actors, and other companies who want to co-promote products -- like Comcast Xfinity or T-Mobile.</p>	<p>Where are we making money?</p> <p>As of 2024, Netflix uses four membership subscriptions:</p> <p>Mobile (Rs. 149/month), Basic (Rs. 199/month), Standard (Rs. 499/month), and Premium (Rs. 649/month).</p>	<p>Where are we spending money?</p> <p>For Netflix, examples of costs are employees, licensing and production fees for content, servers for data storage, brick and mortar workplace locations, DVD production and mail, and R&D.</p>

The goal of the Business Model Canvas to provide framework future business!

Thank
you