

Chapter # 01

“
Entrepreneurship
and the Entrepreneurial
Mind-Set.”

Short Answers

1. Entrepreneur: A person who sets up a business or businesses, taking on financial risk in a hope of profit.

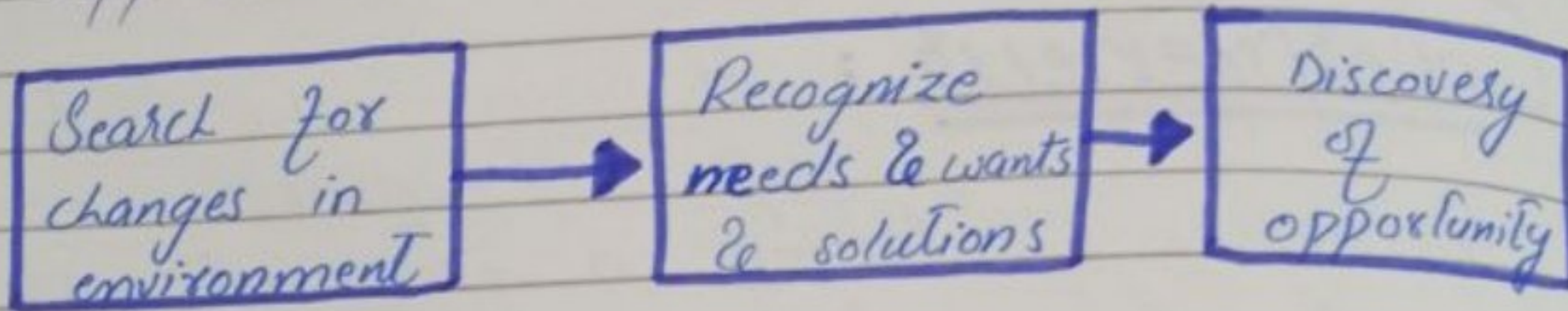
“Entrepreneurs are willing to work 80 hours a week to AVOID working 40 hours a week.”

2. Entrepreneurial Action: Entrepreneurial action refers to the behaviour in response to the judgemental decision under uncertainty about a possible opportunity for a profit.

4. Opportunity Identification: Opportunity identification, in fact, is a creative

(2)

process by which an organization recognizes and assesses such opportunities.



5. Window of Opportunity:

=> Also called a critical window or margin of opportunity.

=> The term "window of opportunity" is a metaphor describing a time period in which a firm realistically enter a new market.

6. Casual process & Effectuation

Process:

=> Casual process is a process that starts with desired outcome and focuses on the means to generate that outcome.

=> Effectuation process is a process

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that starts with what one has
(who they are, what they
knows, whom they knows)
and selects among possible
outcomes.

1. Entrepreneurial Mindset:

⇒ Entrepreneurial mindset refers to
the specific state of mind
which orientates human
conduct towards entrepreneurial activities
and outcomes.

⇒ Individuals with entrepreneurial
mindsets are drawn to opportunities,
innovation and new value creation.

8. Cognitive Adaptability:

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⇒ Cognitive adaptability describes the
extent to which entrepreneurs
are: dynamic, flexible and
self-regulating and engaged in
the process of generating multiple
decisions frameworks, focused on
sensing and processing changes

(4)

in their environment and then acting on them.

9. How to achieve cognitive adaptability

⇒ Cognitive adaptability can be achieved by:

- Comprehension questions.
- Connection tasks.
- Strategic tasks.
- Reflection tasks.

10. Loss Orientation & Restore

Orientation: ^{واقفیت}

⇒ Loss orientation involves focusing on the particular loss to construct an account that explains why the loss occurred.

⇒ Restore^e orientation involves both distracting one self from thinking about the failure event and being proactive towards secondary causes stress.

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1. Peer Pressure:

⇒ The influence that people your age may have on you as an individual to make certain decisions can be both positive or negative.

⊙ Positive Peer Pressure: pressure to do something that **IS** in your best interest.

⊙ Negative Peer Pressure: pressure to do something that **IS NOT** in your best interest.

2. Business Ethics:

⇒ Business ethics are ethics that refers to the moral rules and regulations governing the business world.

⇒ Business ethics is the study of business situations, activities and decisions where issues of right and wrong are addressed.

⇒ A collection of principles and rules that define correct and incorrect behaviours

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or conduct for a member of an organization.

13.

Innovation:

⇒ Innovation is a process to bring new ideas, new methods and new products to an organization.

⇒ Innovation is something new to the business that fills an

untapped customer need. Ideally, the innovation builds a new market.

14.

Product Evolution Process:

⇒ A product evolution process is a cycle where the products evolve in terms of quality, offerings, technology & etc over time to better serve its purpose.

⇒ Product evolution is term used by the companies who have the vision to not only see a product idea, but how that product can evolve over time.



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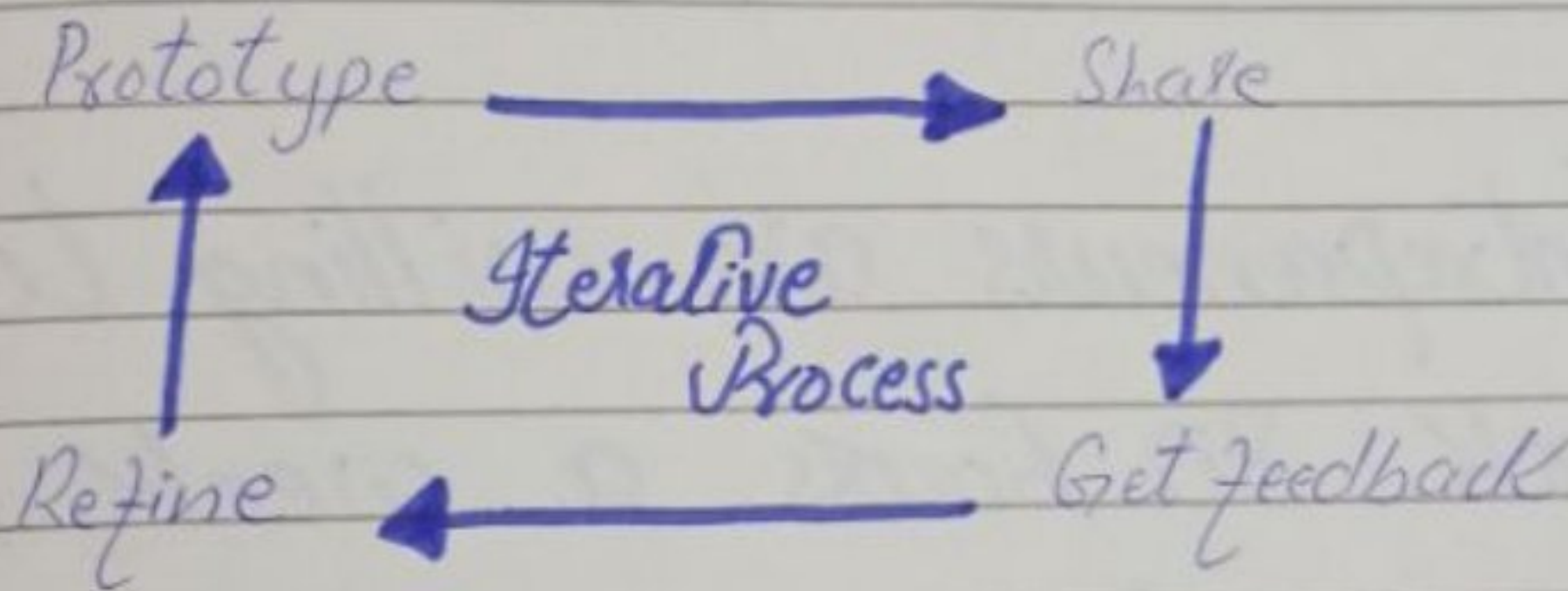
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Iterative Process:

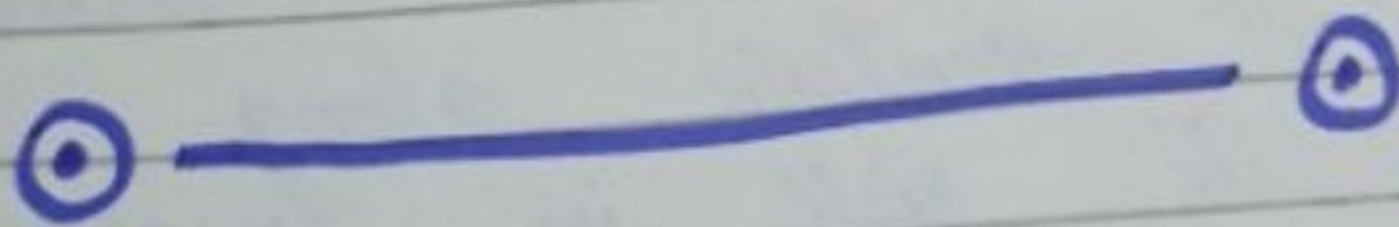
⇒ Iterative process is a research and development method where by the desired result is reached through repeated cycle of calculated trials and errors.



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Types of Innovation:

- ⇒ Incremental innovation.
- ⇒ Disruptive innovation.
- ⇒ Architectural innovation.
- ⇒ Radical innovation.



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Long Question

3. What is Entrepreneurial Process?

① Entrepreneur: A person who sets up a business or businesses taking on financial risk in the hope of profit.

"Entrepreneurs are willing to work 80 hours a week, to avoid working 40 hours a week!"

② Entrepreneurship: Entrepreneurship has described as the "Capacity & willingness to develop, organize and manage a business venture along with any of its risk in order to make profit."

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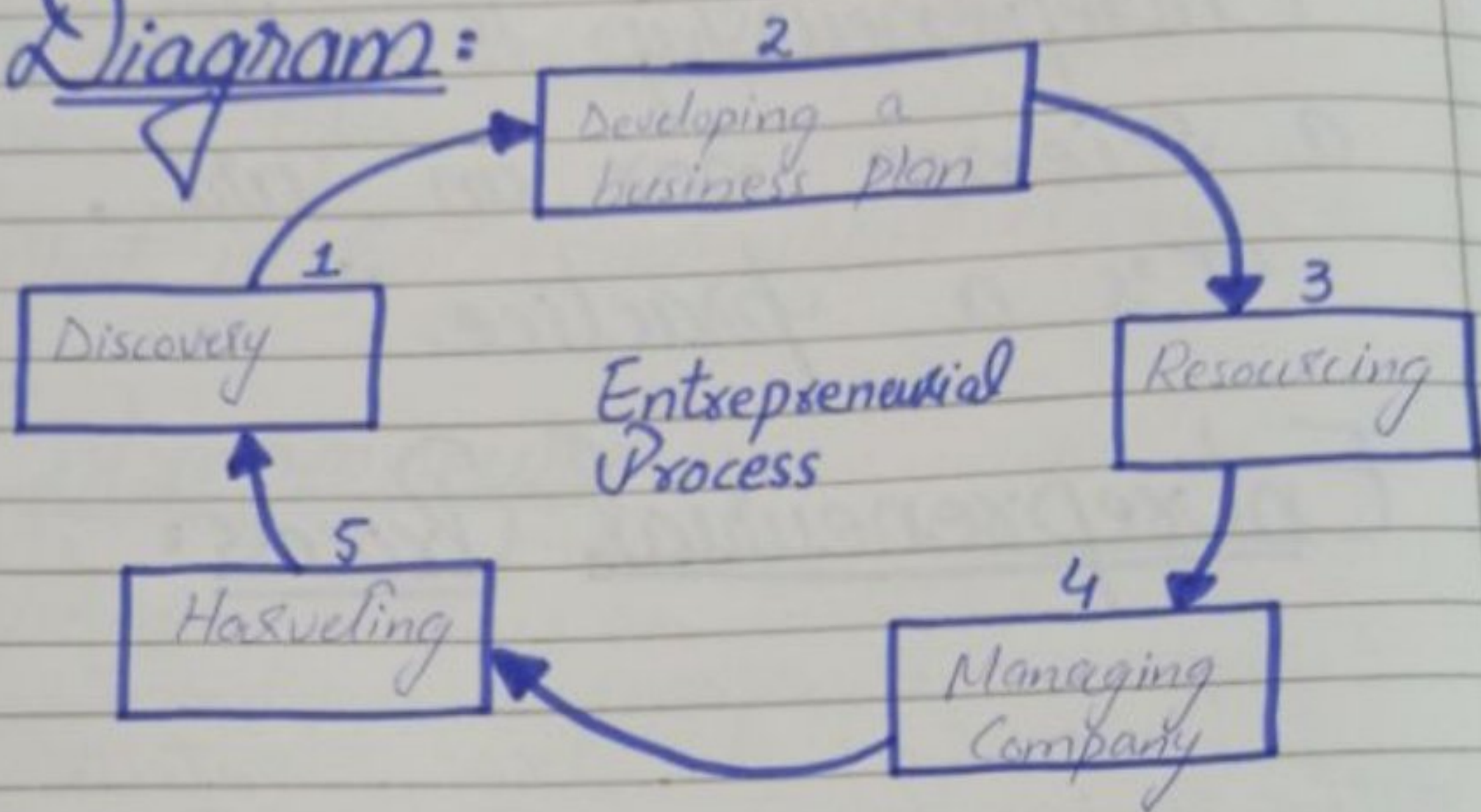
"Entrepreneurship is neither a science nor an art, It's a practice."

① Entrepreneurial Process:

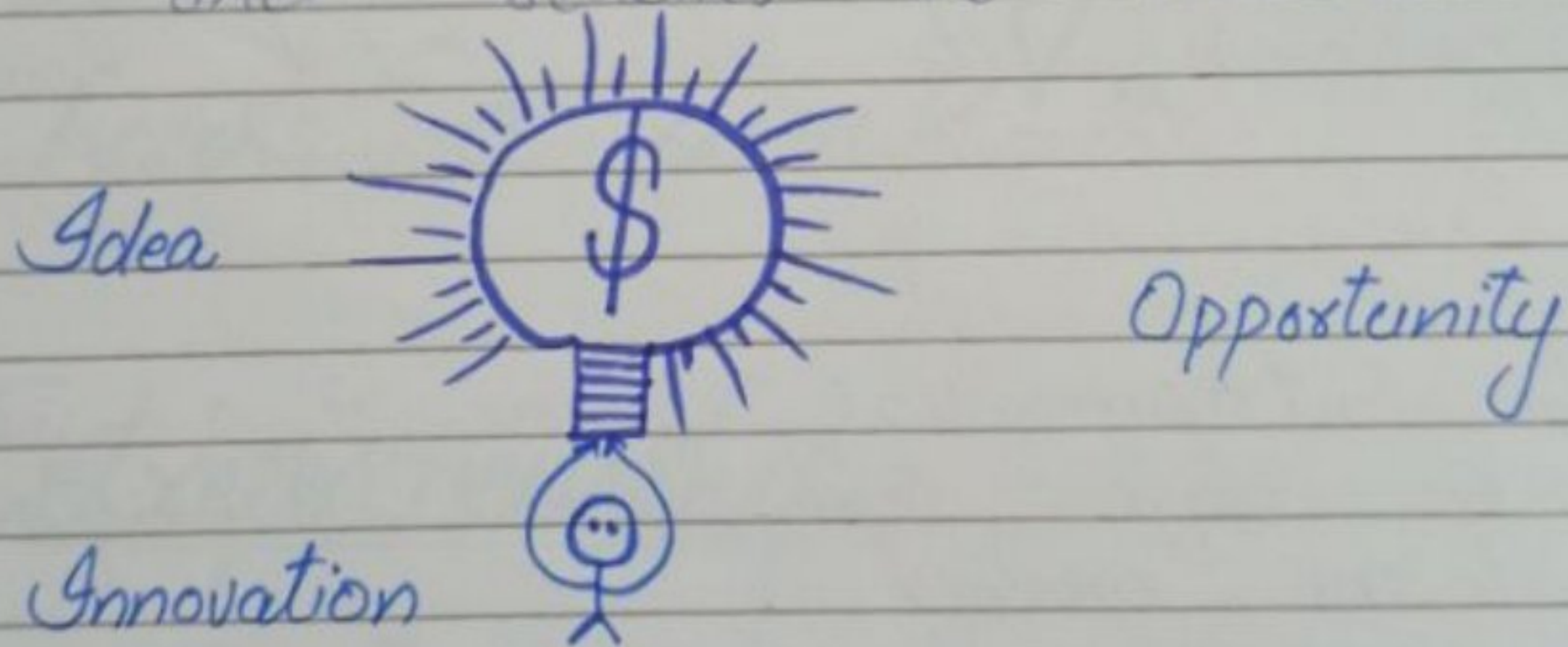
- ⇒ Entrepreneurial process is a process of pursuing a new venture that involves more than just problem solving in a typical management position.
- ⇒ An Entrepreneur must find, evaluate and develop opportunity by overcoming the forces that resist the creation of something new.
- ⇒ The Entrepreneurial process is a set of stages and event that follow one another.
- ⇒ These steps are as follows:

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① Diagram:



② Discovery: The stage in which entrepreneurs generate ideas, recognize opportunities, and study the market.



③ Developing Business Plan:

⇒ A detail proposal describing the business idea :

Objectives.

Mission Statement.

Executive summary.

Define goals.

Determine objectives to reach goals.

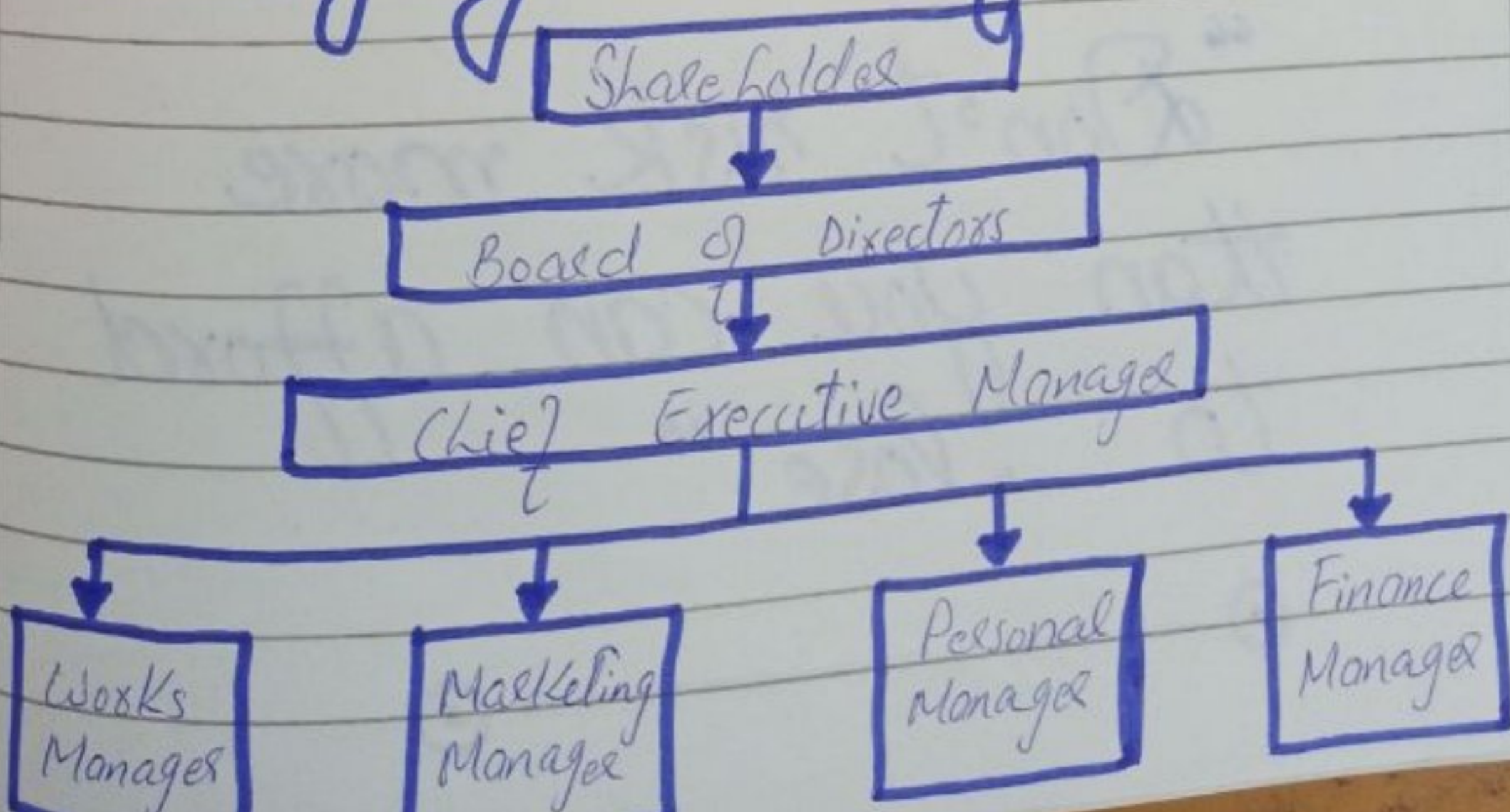
Assess resources and make decisions.

Create contingency plans for managing changes.

Rationally assess operational feasibility and financial viability.

① Resourcing: The process of giving money, workers, skills etc to a particular job or piece of work.

② Managing Company:



① Harvesting:

⇒ The stage in which the entrepreneur decides on business's future growth / development or demise.

- What is your 5 years or 10 years plans?
- Consider adding locations or providing different product / services.
- Will you go public?

⇒ The process of existing the privately held business / venture to unlock the owner's investment value.

“Without a goal, you can't score.”

“Don't risk more than you can afford to lose.”

