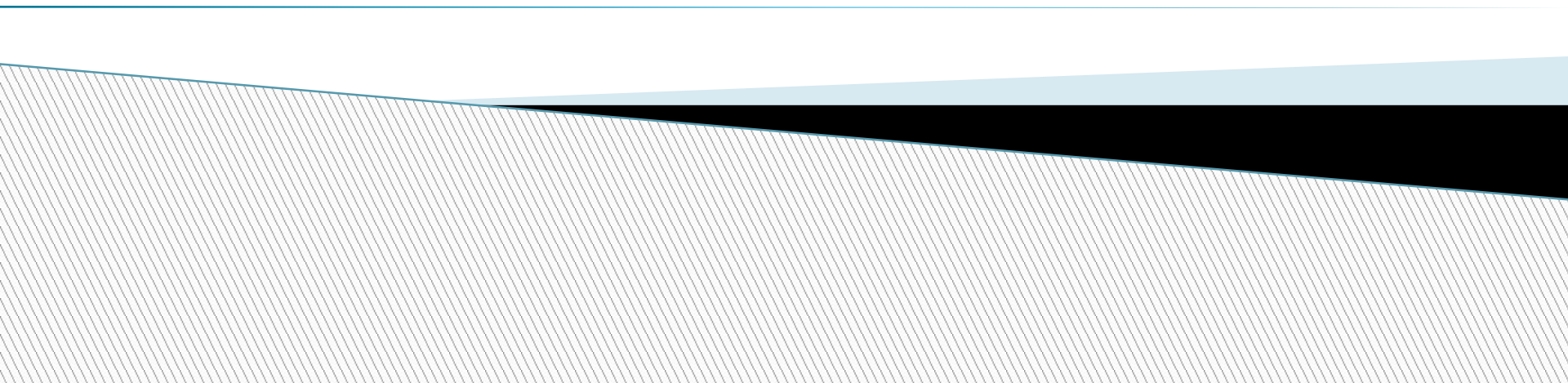


Essential Enterprise

Lecture 2

Dr James Hickie



Innovation and Entrepreneurship

- ▶ *“I’m convinced about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance”*
- ▶ - Steve Jobs

Steve Jobs by Walter Isaacson

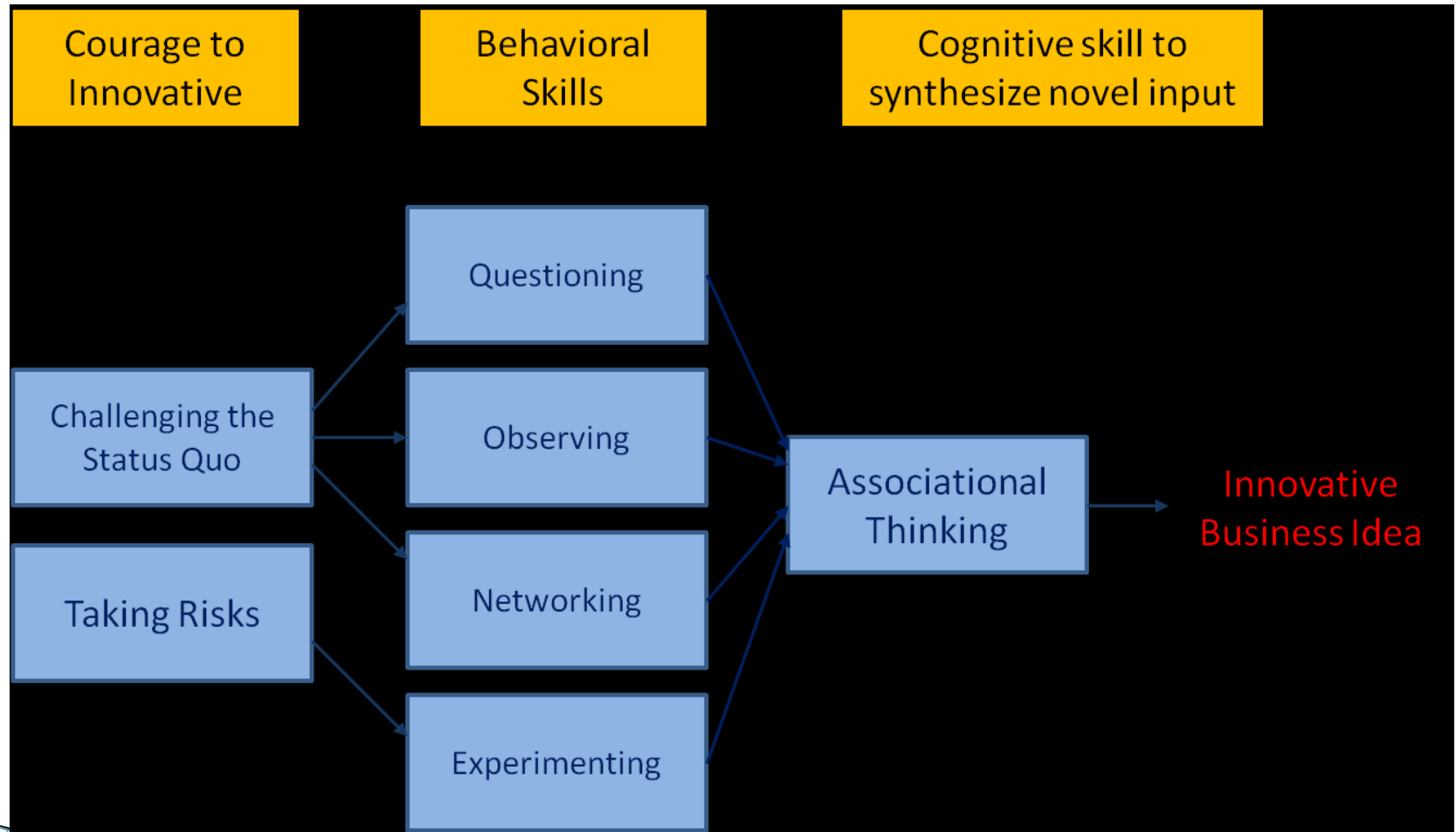


Steve Jobs commencement speech

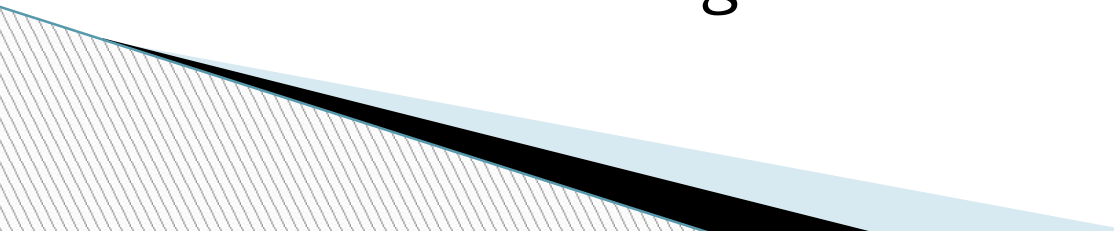
- ▶ <https://www.youtube.com/watch?v=UF8uR6Z6KLc>



Innovator's DNA (Dyer et al)



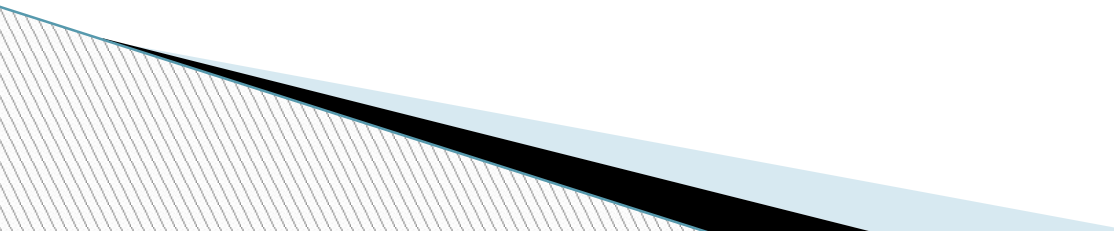
Learning objectives

- ▶ To investigate the business environment (the second part of your assignment)
 - ▶ To look at critiques of tools for analysing the business environment
 - ▶ To consider how to find practical information for your assignment
 - ▶ To provide further advice about the first summative assignment
- 

Application of PESTEL

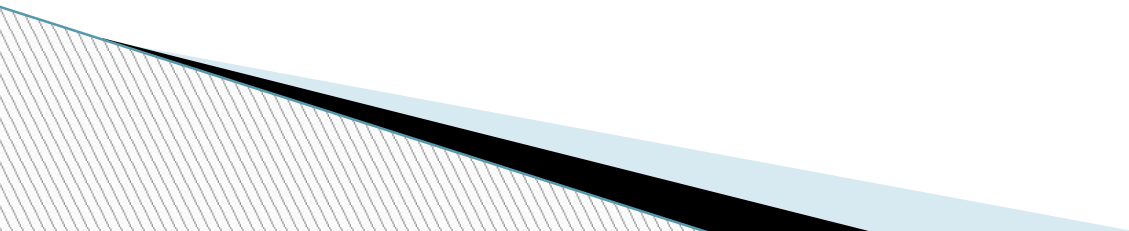
- ▶ A nice summary of using PESTEL (please do include environmental and legal in your analysis):
- ▶ <https://www.youtube.com/watch?v=eGLFVjs1Zak>
- ▶ How to use PESTEL when you're not sure what to say for a particular category

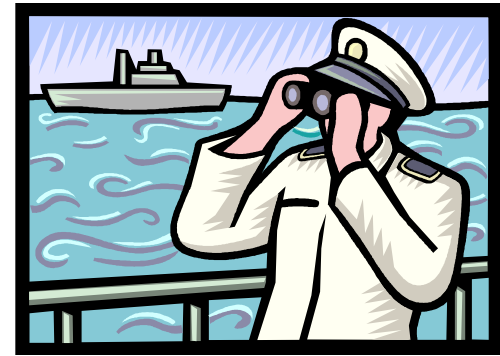
Problems with PESTEL

- ▶ Some people do not use enough data when carrying out their analysis – scant data
 - ▶ The process has to be undertaken regularly to be effective (include some up to date data)
 - ▶ You might need people with different kinds of expertise to do a very thorough PESTEL
- 

How to find information about the external environment

- ▶ What kind of information are you looking for to do the assignment on your chosen company?





Horizon scanning

- ▶ A company needs to gather data on its external environment. The process is similar to a ship's captain **scanning the horizon** for land...or icebergs!
- ▶ These processes of gathering data should go on **all the time** – not just be activated when a project is started!
- ▶ So in **what ways** is information about the external environment obtained?

Information-gathering-questions...

- ▶ **What** does a business need to know about?
- ▶ **Who** in the business gets hold of the information?
- ▶ **Who interprets it** and works out its potential significance for the company?
- ▶ How is the **information processed** and used to make decisions?





News

- Most employees will listen to the news on the radio, TV Websites etc. **Major events** clearly impacting the company will be easy to spot – an oil spill for example.
- Less dramatic news such as changes in tax or interest rates might have serious consequences for the company – but the **significance of the event needs to be spotted** and **weighed up** by someone in the company.
- News feeds are **timely** but not rich in content...



Newspapers

- Newspapers may be 24hrs old but probably have slightly more information and cover a wider range of news stories than say the BBC news pages.
- Journalists tend to put a **‘spin’ on a story** to make it a bit more interesting to read – often building on a press release - so be careful when you read that ‘everyone will be taking holidays in space’ – for example!



Laws and regulations

- Most products and services need to comply with a variety of **legislation**.
- For example, a company cannot just make a child's toy and offer it for sale without having it tested to EN71 and CE marked.
- **Changes to laws** are often announced in the news media – details will be on **BS EN standards** and Govt. legislation websites



Wikis and Blogs

- Wikis and Blogs often come up when you do a Google search.
- If you **don't know the person** or organisation how can the information be checked out for **validity**?
- If these articles point you to references such as **Govt reports** and **trustworthy organisation** sources – go to these original sources.

Commercial ‘Trade’ Journals

- Most industries have **trade journals** and magazines – in hard copy and on line.
- These publications are usually funded by the **revenue from advertising** so the articles within them will usually be **biased in favour** of the products, services and industry sector viewpoint.
- For example a trade plastics journal will probably not be too critical about the problem of plastics packaging waste.

Government reports



- Government departments commission and publish reports on a vast range of topics.
- An easy way to keep alert about latest publications is to set up an **e-mail alert** that will notify you every time a topic of interest is published.
- An example of this service is: [wired-gov.net](http://www.wired-gov.net)

<http://www.wired-gov.net/wg/wg-users-1.nsf/wfNewRegistration?ReadForm&step=step1&linkkey=BDEX-6ZFKSG>



Text Books?

- Text books take some time to write, edit and then publish – so they will never contain brand new ground breaking information.
- Text books are useful when looking up **explanations of theories and accepted methodologies** etc , perhaps helping to explain terms mentioned in very specific technical articles?

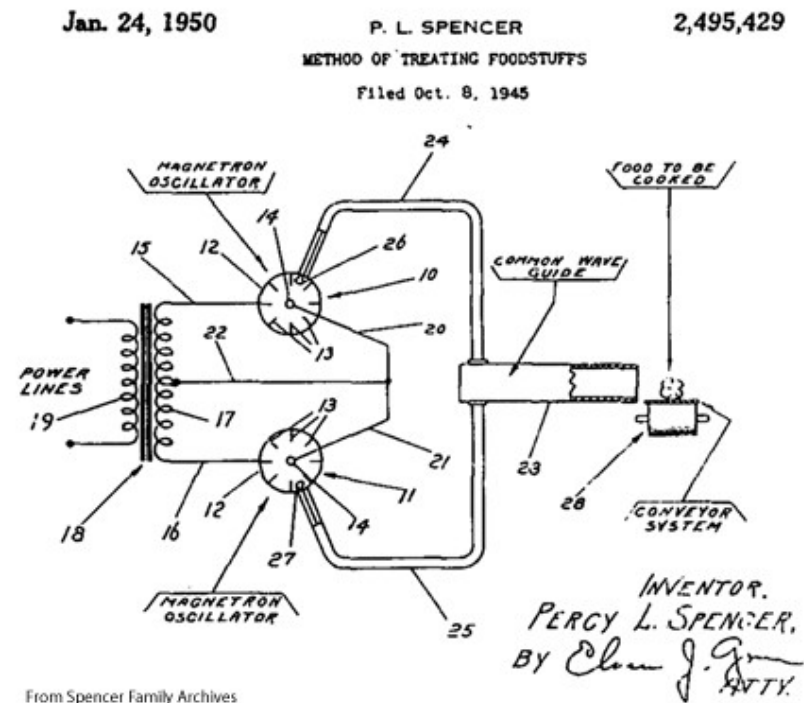


Academic research publications

- Academic research is published in journals and so is the '**latest thinking**' on a subject. Very often the papers are quite **theoretical** and removed from practical application in a commercial context.
- Look for the **authors names** and get to know who to watch in the **topic areas** of interest.
- These **authors** may publish other papers, text books, speak at conferences, undertake consultancy, publish patents.

Patents

- If a company wishes to protect its intellectual property it may file a **patent**.
- A patent has to be filed before a product is offered for sale – so patents are a rich source of technical information about the latest technology.
- For links to patent databases and Trade Marks registry see the links from the **IPO website**.





Patent watching

- Many companies set up a '**patent watching**' procedure to alert them to patents that are being filed in areas of technology that they are interested in, that their products depend upon etc.
- The information could look for **key words** that describe the **underpinning technology** being used – eg 'organic liquid crystal display' or...
- The company could look out for patents filed by its **competitors** – in this case LG, Philips, Sony, Toshiba etc
- Best patent searching website:
- <http://worldwide.espacenet.com>

Suppliers



- The suppliers of services, raw materials, sub assemblies etc will be **improving** their products...that you build into your product.
- Your company could simply **react** to what is on offer.
- In more advanced supply networks, suppliers are **asked** to develop their products to your specification.



Customers

- What are your customers buying?
- What **changes in purchasing** can you detect?
- What **factors** are driving these changes in purchasing?
- Your organisation has **sales information** - which products are being sold to which customers...
- **Analyse** this information.

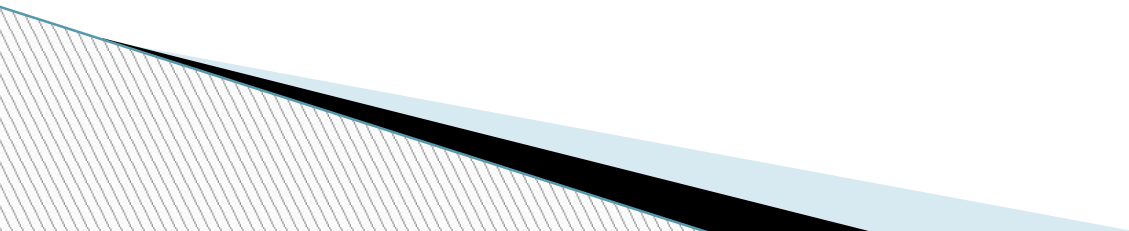


Analysis – in context

- Information on its own is of little use...a mechanism needs to be set up to **analyse it** and make sense of it **for your company**.
- The same information may be **interpreted differently** depending upon the organisation.
- ...Eg research linking Blueberries with osteoporosis may be good news to fruit juice manufacturers but less welcomed by pharmaceutical companies manufacturing osteoporosis drugs.

Exercise on information gathering

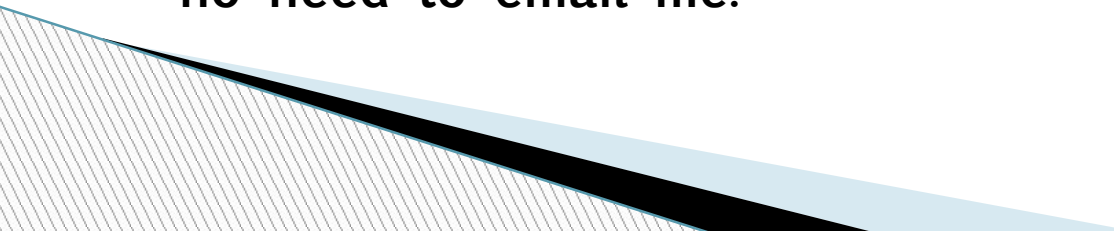
See handout



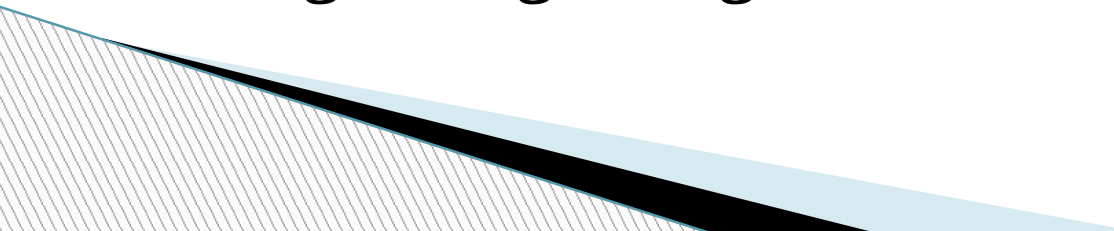
List of 17 companies to choose from

- ▶ Vue Cinema
 - ▶ Jaguar Landrover
 - ▶ Moneysupermarket.com
 - ▶ Zopa
 - ▶ Leon
 - ▶ Patisserie Valerie
 - ▶ Manchester United FC
 - ▶ Ocado
 - ▶ Bamford's (JCB diggers)
 - ▶ Hotel Chocolat
- 

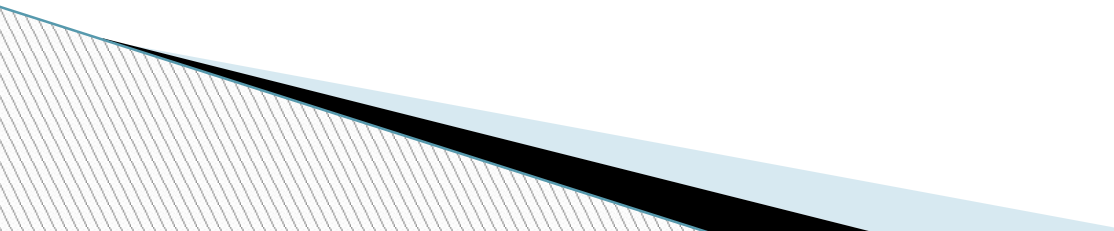
List of 17 companies continued

- ▶ John Lewis
 - ▶ Jack Wills
 - ▶ Easyjet
 - ▶ Morrisons
 - ▶ Lush
 - ▶ Greggs
 - ▶ Burberry
 - ▶ You should not choose a company which I provide you with exemplar assignments on
 - ▶ You can choose any company with whose MAIN HEADQUARTERS IS IN THE UK
 - ▶ If the company is not on the list provided here, please email me to confirm the company: james.hickie.mbs.ac.uk - deadline to choose 17th October. If you choose from this list, there is no need to email me.
- 

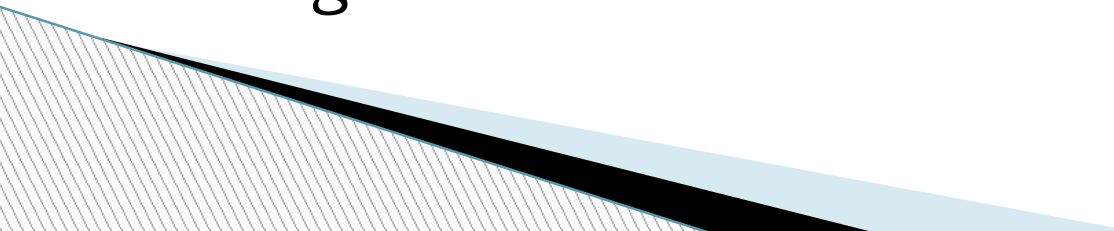
What is YOUR purpose in doing this report?

- ▶ Learn more about an employer you work for or would like to work for – maybe the assignment will help you prepare for an interview?
 - ▶ A sector you are very interested in/have an existing hobby in?
 - ▶ Needs to be a company you will be happy producing a 3500 word report about/spending 10 weeks working on
 - ▶ To get a good grade
- 

Key issues to consider when selecting your company

- ▶ Service or manufacturing company?
 - ▶ Can you easily think of interesting new products or services the company might offer?
 - ▶ Deadline: Thursday 8 December 3pm
 - ▶ **THERE WILL BE A LATE PENALTY OF TEN MARKS IF YOU HAND IN AT 3.01PM – SO GIVE YOURSELF PLENTY OF TIME TO SUBMIT!**
- 

Formative group work

- ▶ 24th October
 - ▶ Groups of 4 or 5
 - ▶ Opportunity to apply the Innovator's DNA (your creativity skills), your research skills, and learn from each other
 - ▶ Presentation on improving a healthy drink
 - ▶ It will help you be well prepared to get a good grade on the final summative assignment.
- 

Work for next week

- ▶ Read 'The Business Environment' by Worthington et al, chapter 1 and chapter 18
- ▶ How will you use the information in these chapters to do an excellent business environment analysis for your summative assignment business report?
- ▶ Think about which company you want to do your assignment on

