

# **UNIT 11:**

# **ENTREPRENEURIAL SUPPLY CHAIN**

LH 2

# Introduction: Entrepreneurial Supply Chain

- Entrepreneurial supply chain go beyond the traditional focus on cost, quality, and delivery to also embrace innovation and growth.
- They are designed to achieve growth in the enterprise by recognizing and responding to needs and opportunities that call for growth-focused responses.

# Introduction: Entrepreneurial Supply Chain

- A *supply chain* connects customers with suppliers. An *entrepreneurial* supply chain is an innovative portion of that connection. The entrepreneurial supply chain usually consists of a new venture that is developed out of new and innovative ideas. The venture is responsible for resources, takes on risks, and is accountable for the payoffs.
- Entrepreneurial supply chains can look for innovation and revenue opportunities wherever they may be found: upstream on the supply side, downstream on the demand side, or with competitors in the middle.

# Stratégies: **Entrepreneurial Supply Chain**

## **1. Take existing products and services and move them to new customers, markets, and locations.**

- McDonald's and Starbucks have been pursuing this entrepreneurial supply chain strategy for years as they expanded all over the world. Their moves into hospitals, airports, and other types of locations, for example, not only allow them to capture new customers but also to serve regular customers in new settings.

## **2. Develop new products and services for existing customers and markets.**

- Hybrid automobiles represent examples of these types of entrepreneurial supply chain moves. Who is better able to recognize needs and opportunities for new entrepreneurial products and services than supply chain people who interact with suppliers and customers on a daily basis?

## **3. Enter the “white space” of new products and services combined with new customers and markets.**

*-when there is no business for particular product or service and that is introduced to new customers or new markets or in existing market*

- The notion that the elements of supply chains—from suppliers' suppliers to customers' customers—can be used in an entrepreneurial manner is a powerful one. We call this emerging concept entrepreneurial supply chains, and we believe that companies should aggressively implement and practice it. But because it is a new concept, perhaps we need to set the stage to explain just what we mean.
- What is an entrepreneur? An entrepreneur begins a business with fresh ideas that hold opportunity for profit and growth. The entrepreneur obtains resources, begins the venture, bears the risks, and reaps the payoff or suffers the loss. The business can be a start-up or a unit of an established venture. Further, entrepreneurial activities can be “replicative” or “innovative” in nature. The vast majority are in the replicative category because they reproduce or closely follow past successes. But even replicative entrepreneurial initiatives originated with innovative ideas. McDonald's and Starbucks are classic examples of replicative entrepreneurship, though they both began with innovative ideas.
- Innovative entrepreneurial activities — and the leaders behind them — represent truly new ideas and leadership models. Steve Jobs is a perfect example. Jobs' brand of innovative entrepreneurship has not yet moved into the replicative arena. With his untimely death, only time will tell when or if that happens. For the purposes of our discussion, we include both the innovative and replicative types of entrepreneurial supply chains.
- What are entrepreneurial supply chains? Entrepreneurial supply chains go beyond the traditional focus on cost, quality, and delivery to also embrace innovation and growth. Entrepreneurial supply chains connect customers' customers with suppliers' suppliers. They are designed to achieve growth in the enterprise by recognizing and responding to needs and opportunities that call for growth-focused responses. Note upfront, though, that moving from a traditional to an entrepreneurial supply chain is not always easy. It demands major shifts in mindsets.