

Entrepreneurship Development

Entrepreneurs

General management skills, business knowhow, networks			
Creativity & innovation		Low	High
	High	<i>Inventor</i>	<i>Entrepreneur</i>
	Low	<i>Promoter</i>	<i>Manager, Administrator</i>

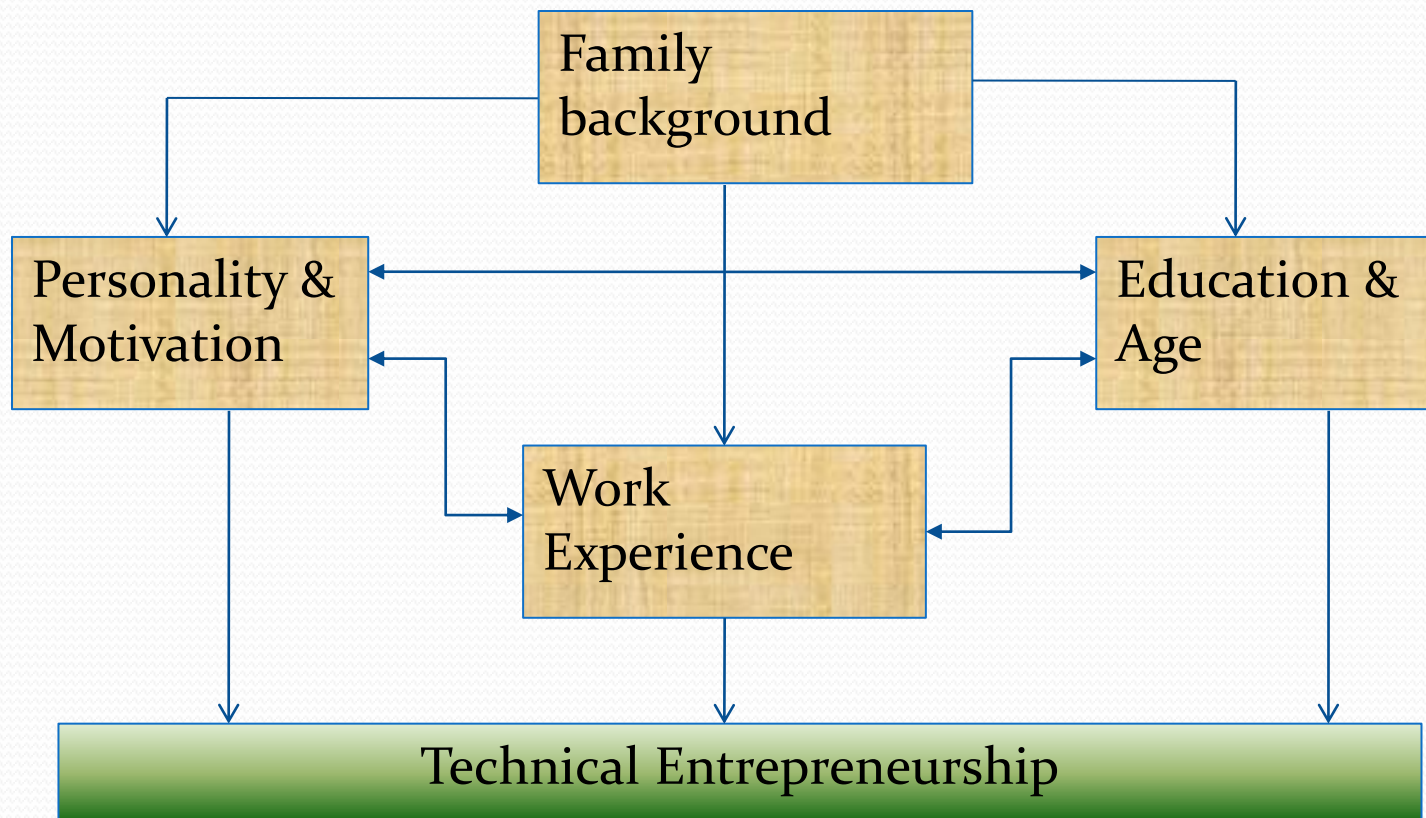
Entrepreneurs: The Myths (1)

Myth	Reality
Born, not made	Certain characteristics are needed but experience is developed over years. A family background helps.
Anyone can start a business	Those who recognise the difference between an idea and an opportunity have a better chance of succeeding.
Gamblers	Take careful, calculated risks. Minimise risk by taking bitesized slices.
Want to run everything	Create high potential venture by building a team, an organisation and a company.
Independent, own boss	Have to serve many masters: Partners, staff, investors, customers, suppliers, creditors etc.
Work longer and harder.	Some do, some don't.
Experience stress & pay a high price	It is stressful & demanding, but no more so than other professional roles. They do get high job satisfaction and have a high sense of accomplishment.
Often fail	The best attract the good teams to make a venture work. Failure is often part of the learning experience.
Money is their main motivation	They thrive on the thrill of the chase. Money is a facilitator and a way of keeping score.

Entrepreneurs: The Myths (2)

Myth	Reality
Things will grow quickly with a talented entrepreneur	Rarely is a new business established solidly in less than three to four years.
Work longer and harder.	Some do, some don't.
Experience stress & pay a high price	It is stressful & demanding, but no more so than other professional roles. They do get high job satisfaction and have a high sense of accomplishment.
Often fail	The best attract the good teams to make a venture work. Failure is often part of the learning experience.
Money is their main motivation	They thrive on the thrill of the chase. Money is a facilitator and a way of keeping score.
Need to be young & energetic	It may help, but age is no barrier. Average starting age is mid-30s.

A Model of Entrepreneur Development



Characteristics to become a High Tech Entrepreneur

Family background:

- ☐ Self-employed father

Education and age:

- ☐ Masters degree, usually in engineering
- ☐ Mid-30s age at founding

Work experience:

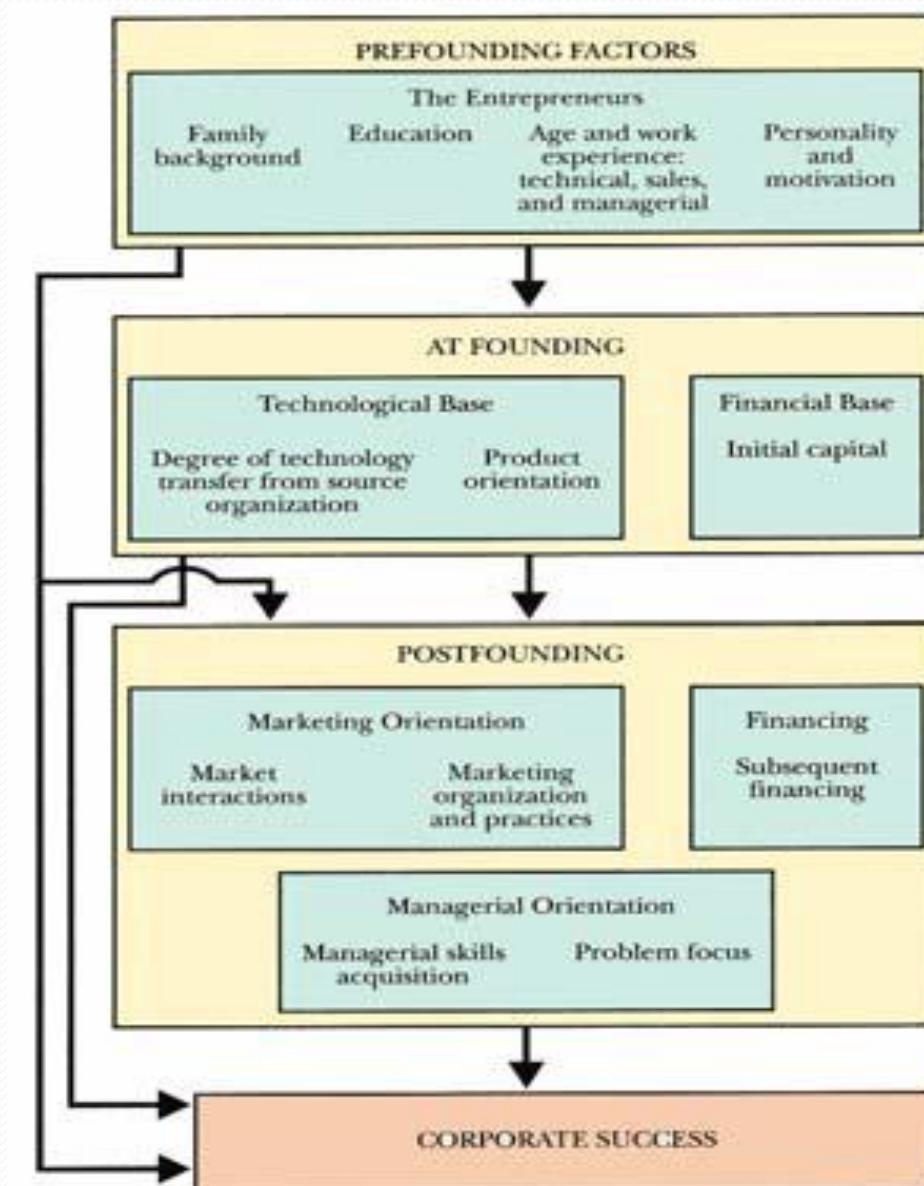
- ☐ 10 years work
- ☐ Development rather than research work
- ☐ Productive technologist, supervisor
- ☐ Challenged but satisfied in previous job

Characteristics.....

Personality and motivation:

- ☐ Creative
- ☐ Moderate need for achievement and power
- ☐ Low need for affiliation
- ☐ Long felt desire for own business
- ☐ Independent, less concern for financial rewards

Entrepreneur Skill Requirements as a venture grows



Personality of High Tech Entrepreneurs

Meyers Briggs Type Indicator:

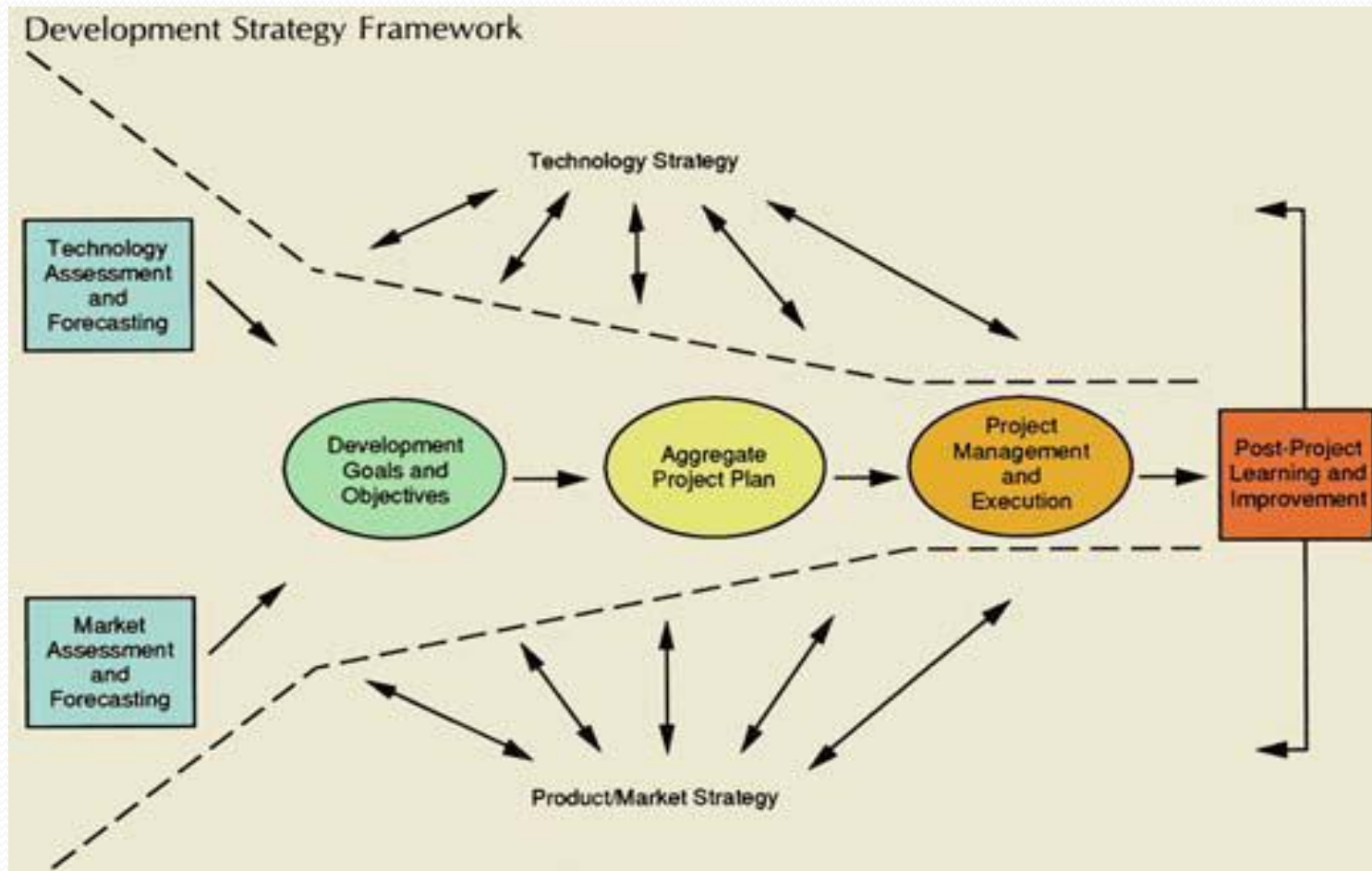
Energizing:	Introvert (I) - Extrovert (E)
Attending:	Sensing (S) - Intuition (N)
Deciding:	Thinking (T) - Feeling (F)
Living:	Judging (J) - Perceiving (P)

*Typically high tech entrepreneurs are: **INTJ***

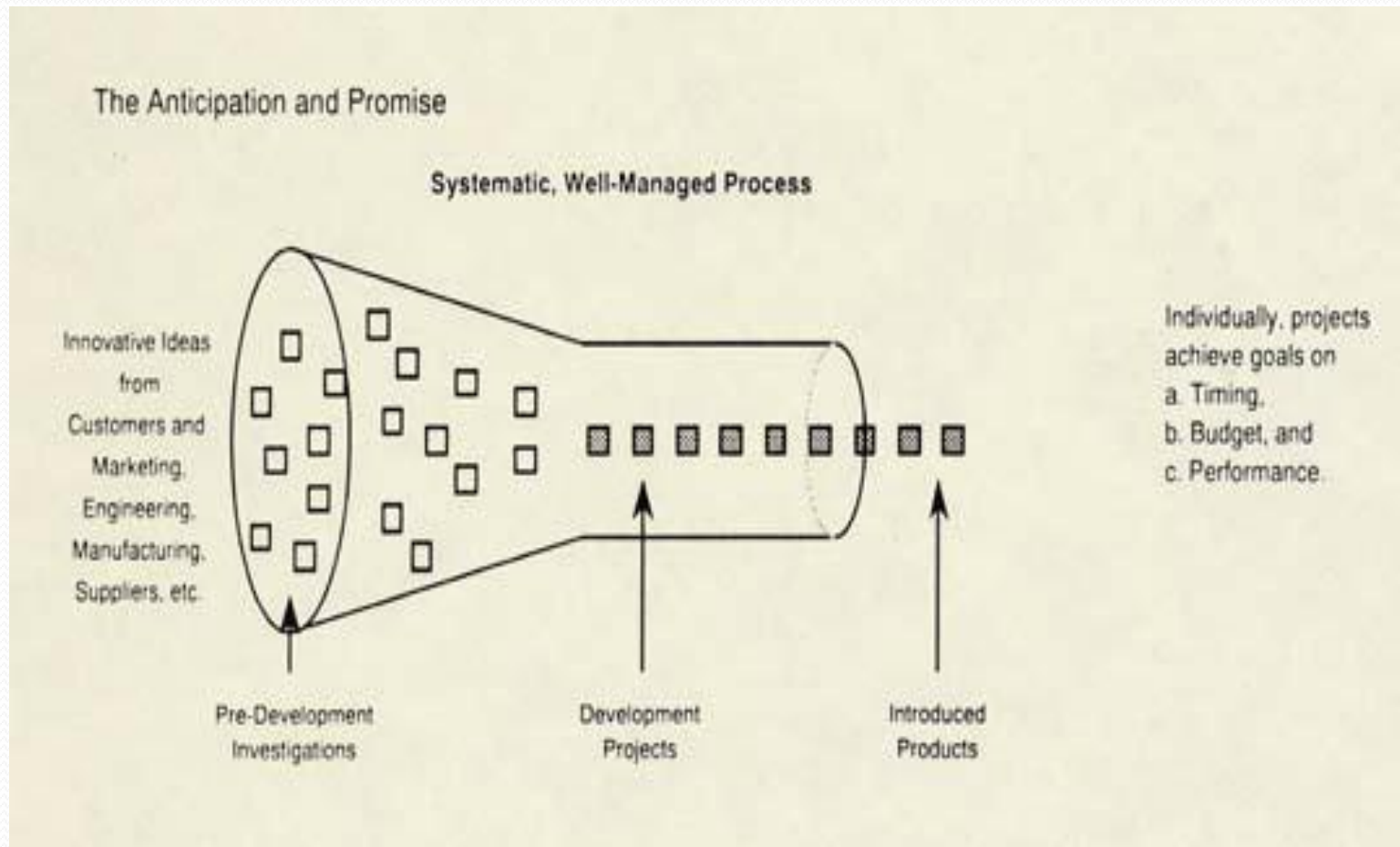
- More **Introverted** than the general population
- More **Intuitive** than the general population
- More **Thinking** than the general population
- More **Judgmental** than the general population

Similar to most scientists

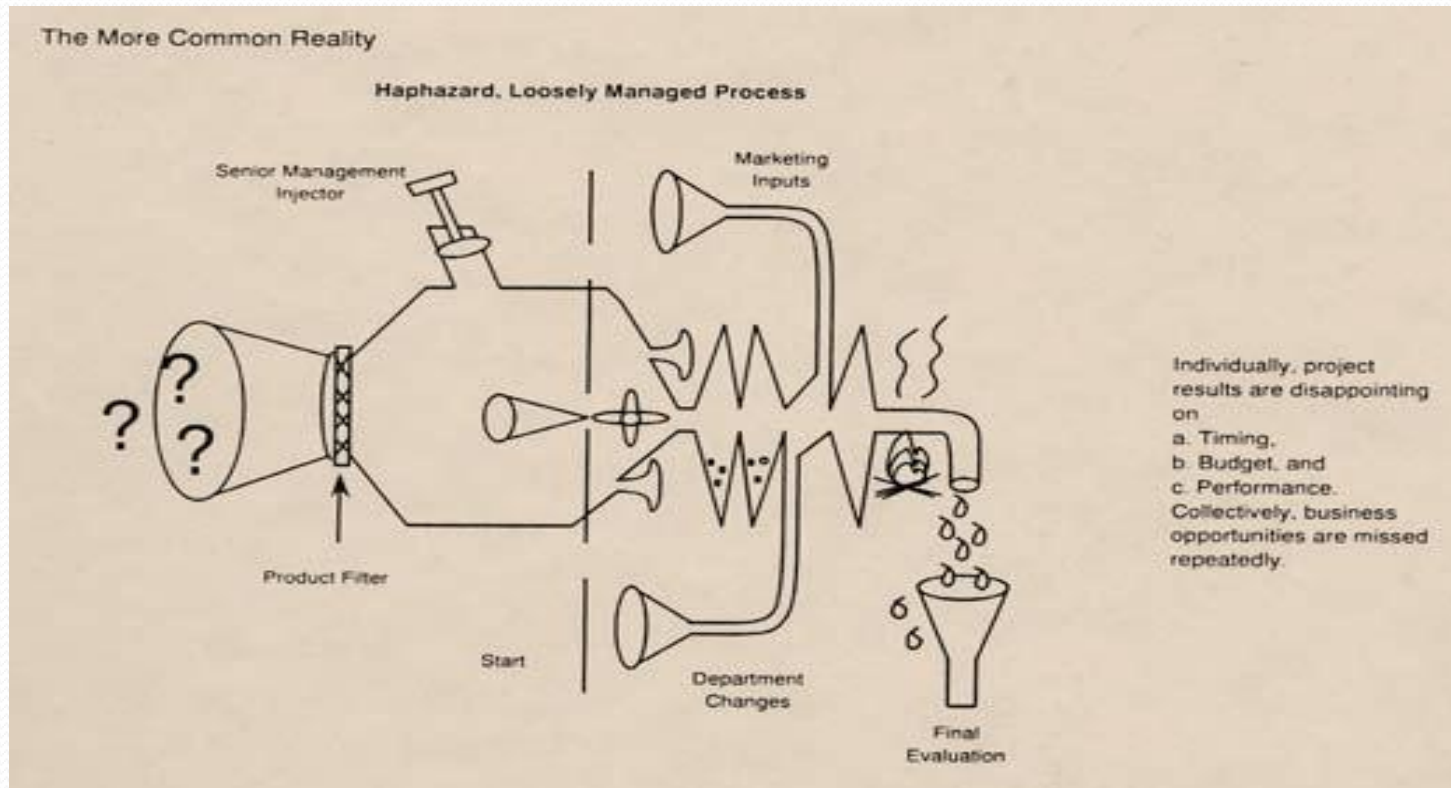
Strategic Development Framework



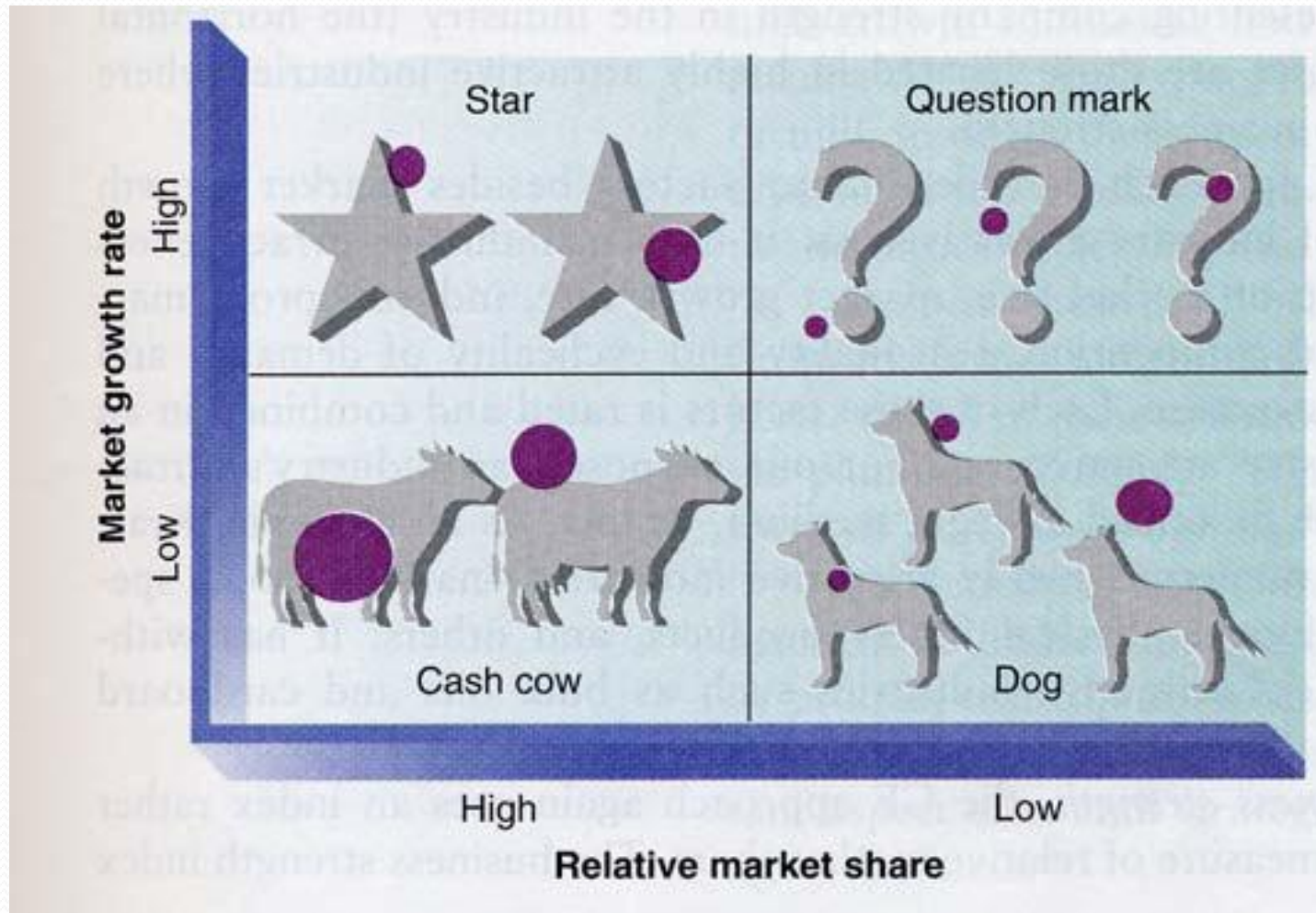
Product Development Funnel: Theory



Product Development Funnel: Reality



Market Portfolio Analysis



Impressing Venture Capitalists

- Do you have a significant number of customers who have agreed to buy the product?
- Does data show rapid market growth?
- Do you and your team have relevant business experience?
- Do you know what your potential competitors are doing?
- Is some aspect of your business unique?
- Can the business be more than just a “nice little business”?

Entrepreneurship development

Understanding innovation and developing creativity

Innovation and the entrepreneur:

Innovation is a key function of an entrepreneurial process.

Innovation is the specific function of entrepreneurship..... Drucker

Economic innovation (defined by J. Schumpeter, 1934):

- ☐ The introduction of a **new product** or of a **new quality** of a product
- ☐ The introduction of a **new method** of production
- ☐ The opening of a **new market**
- ☐ The conquest of a **new source of supply of raw materials** or of semi-finished goods
- ☐ The carrying out of the new organization in a **new industry** (creating monopoly or breaking monopoly)