

Introduction to Entrepreneurship





Expect to learn how to:

- Identify the different types of entrepreneurship
- State best practices in modern entrepreneurship
- Gauge your expectations for the process and outcomes from launching new products/ startups









Entrepreneur

† *entreprenour*, *n.*

Forms: In ME **enterprenour**, **entreprennoure**.

Etymology: < French *entrepreneur*, agent-noun < *entreprendre* to undertake.

Obs.

One who undertakes; a manager, controller; champion.

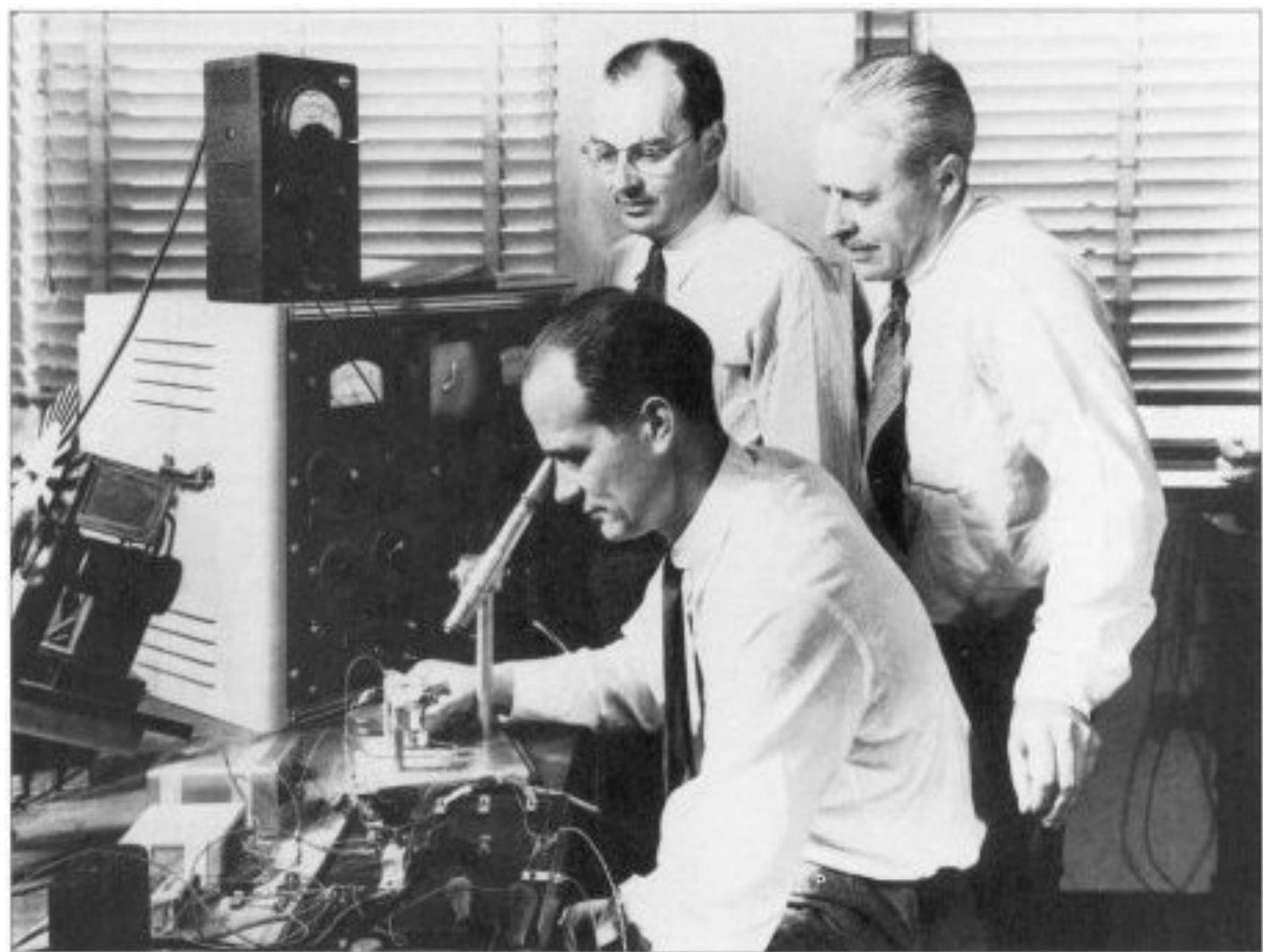
1475 *Bk. Noblesse* (1860) 64 That most noble centoure Publius Decius, so hardie an *entreprennoure* in the bataille.

1485 CAXTON tr. *Charles the Grete* (1881) 166 Rychard went to fore as chyef enterprenour.



An entrepreneur is also









What differentiates an entrepreneur

An entrepreneur
captures economic value
in the process

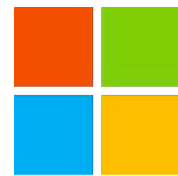


Impact of Entrepreneurship

- Economic
 - Create new technologies, develop new products or process innovations, and open up new markets
 - Increase market competition (efficiency)
 - Create new jobs in short & long term
 - Boost economic productivity
 - Encourage structural change (“creative destruction”)



Google



Microsoft





Impact of Entrepreneurship

- For individuals
 - Make an impact
 - Make \$\$
 - Career prospects
 - Fun
 - Autonomy

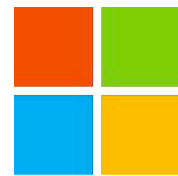


Types of Entrepreneurship

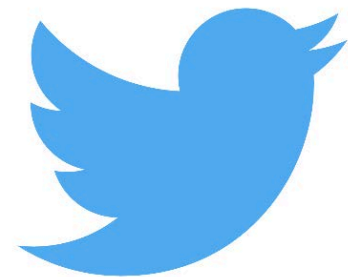
- High-Growth Startups
 - Commonly mistaken for the only kind of startup:
“A startup is a company designed to grow fast.” – Paul Graham
 - Scalable
 - Targeting a large market
 - Often: technology-centric
 - Often: raise venture capital



Google

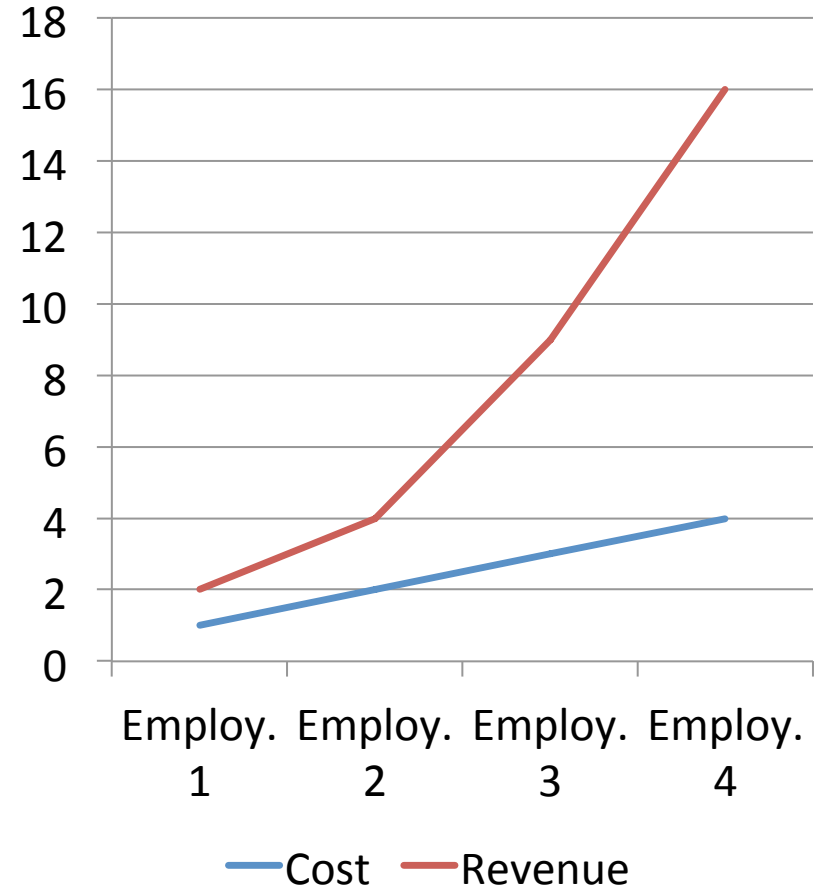
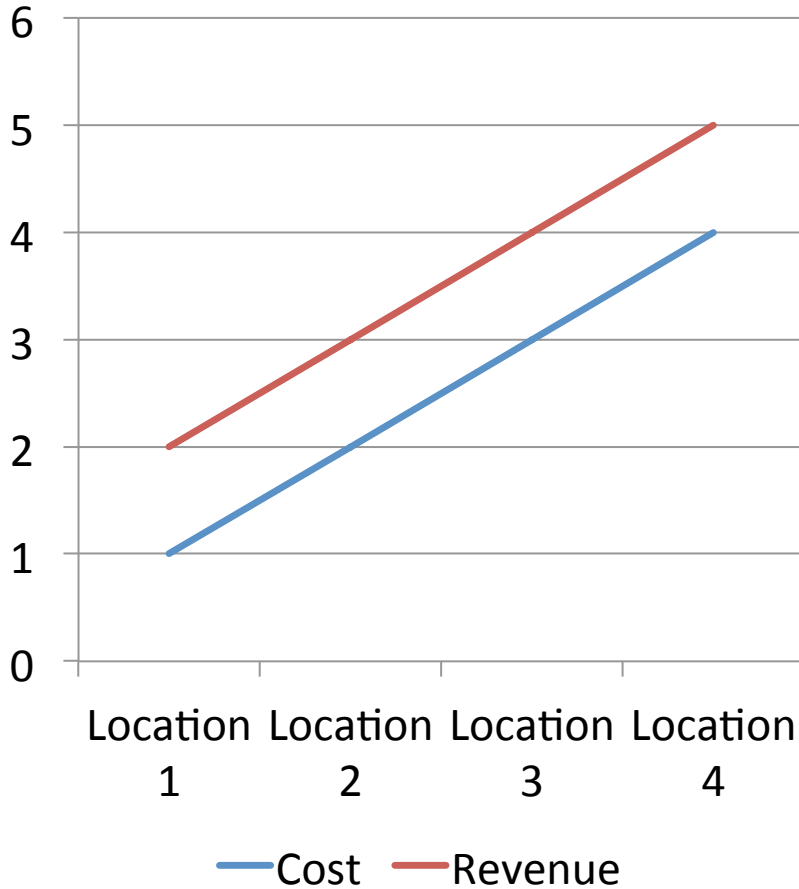


Microsoft



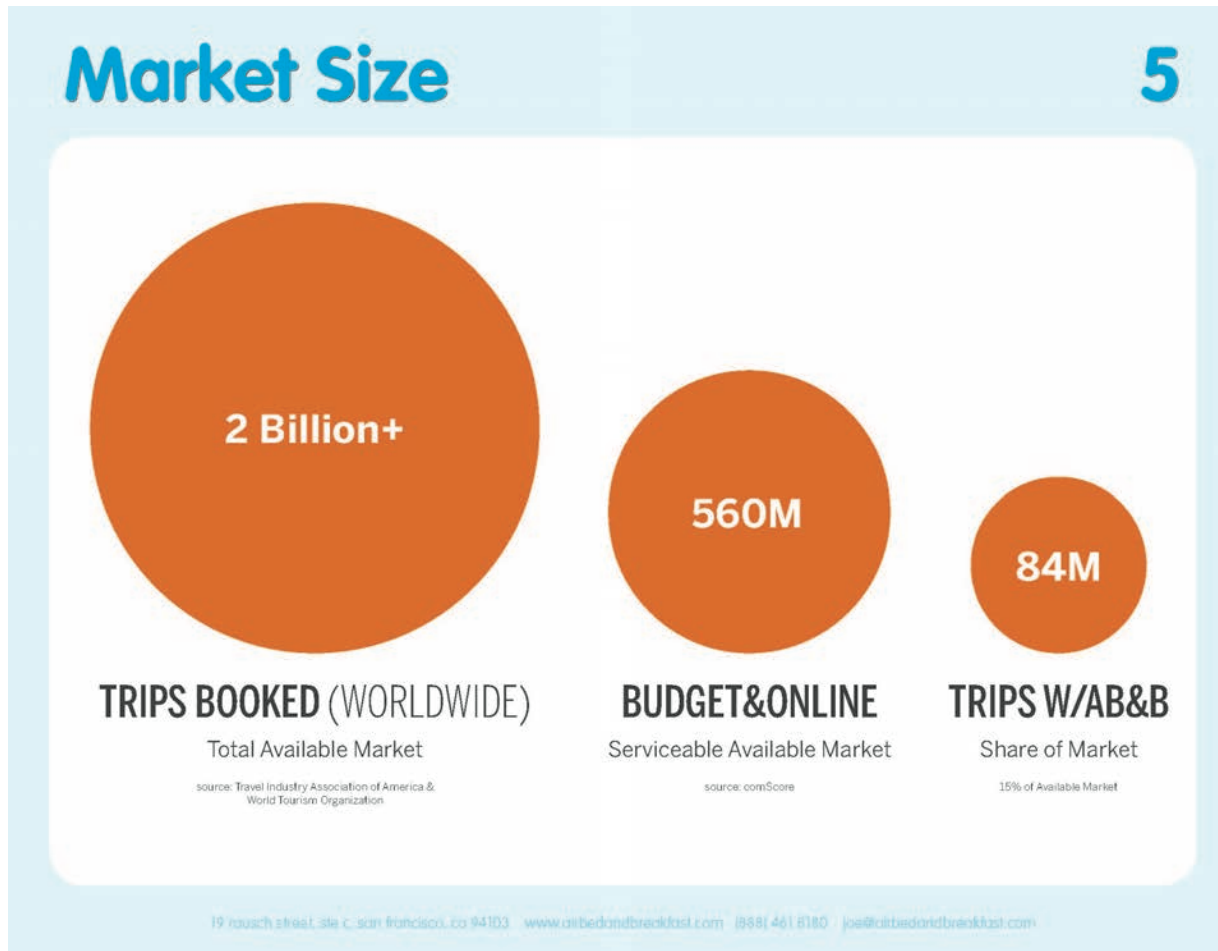


“Scalable” Means...





What is a “large” market?





Market Size

Business Model

7

We take a 10% commission on each transaction.



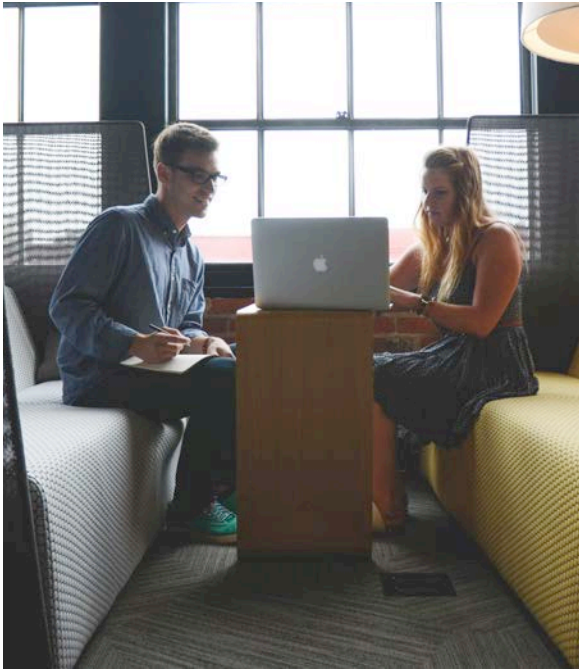


Types of Entrepreneurship

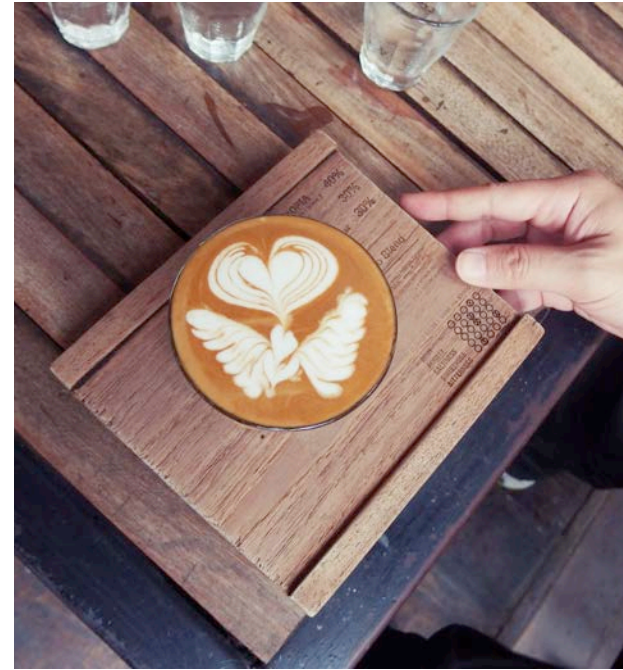
- Small or “lifestyle” business
 - Designed to support founder in his/her lifestyle
 - Often either:
 - Limited scalability
 - Limited market-size
 - Does not take venture capital



Examples of Small Businesses



Consultancies, agencies



Coffee shops/ Restaurants



Types of Entrepreneurship

- “Bootstrapped” startup
 - Does not raise outside funding (“pulls himself up by his bootstraps”)
 - Can be either high-growth or lifestyle
 - More common to be lifestyle



Types of Entrepreneurship

- Social entrepreneurship
 - Social impact is PRIMARY purpose of organization
 - A “flavor” of entrepreneurship:
 - Can be for-profit, non-profit, or B-corp
 - Can be high-growth, lifestyle, and/or bootstrapped
 - Social impact is measured with same rigor as revenue



Types of Entrepreneurship

- Intrapreneurship
 - Acting like an entrepreneur within an established company
 - Degrees of “startup-ness”:
 - Complete separation from company
 - Team within company
 - 20% time (individuals)
 - R&D divisions, i.e. GoogleX



Which should you pursue?

- Depends on your appetite for:
 - Risk
 - “Big” outcomes
 - Autonomy
 - Lifestyle desires



Activity (20 Minutes)

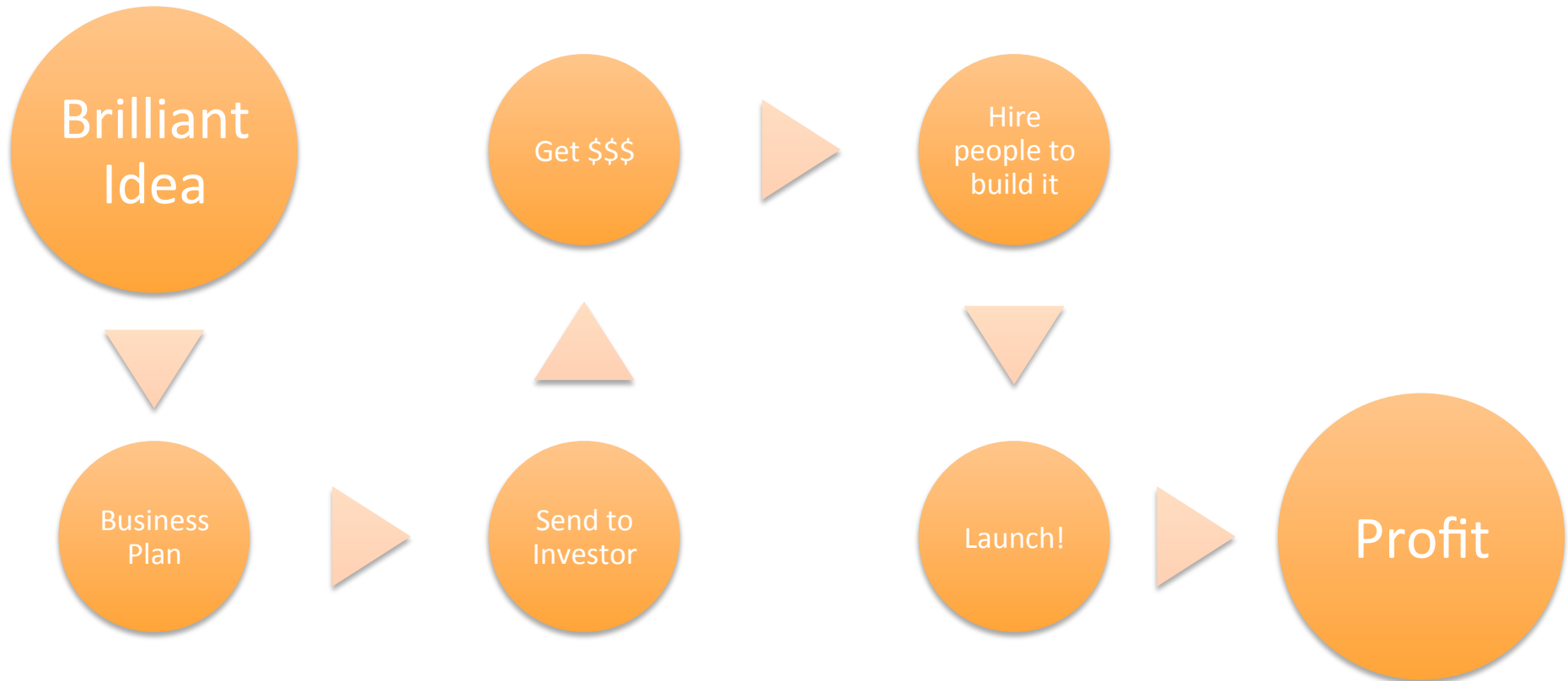
- Research the following companies and identify whether they are a:
 - High-growth startup
 - Small or “lifestyle” business
 - “Bootstrapped” business
 - Social venture
 - Intrapreneur-founded venture
- COMPANIES
 - 37Signals
 - TurboTax
 - Unite for Sight
 - Uber
 - Panorama Education
 - Escape the Room New Haven

Starting Up

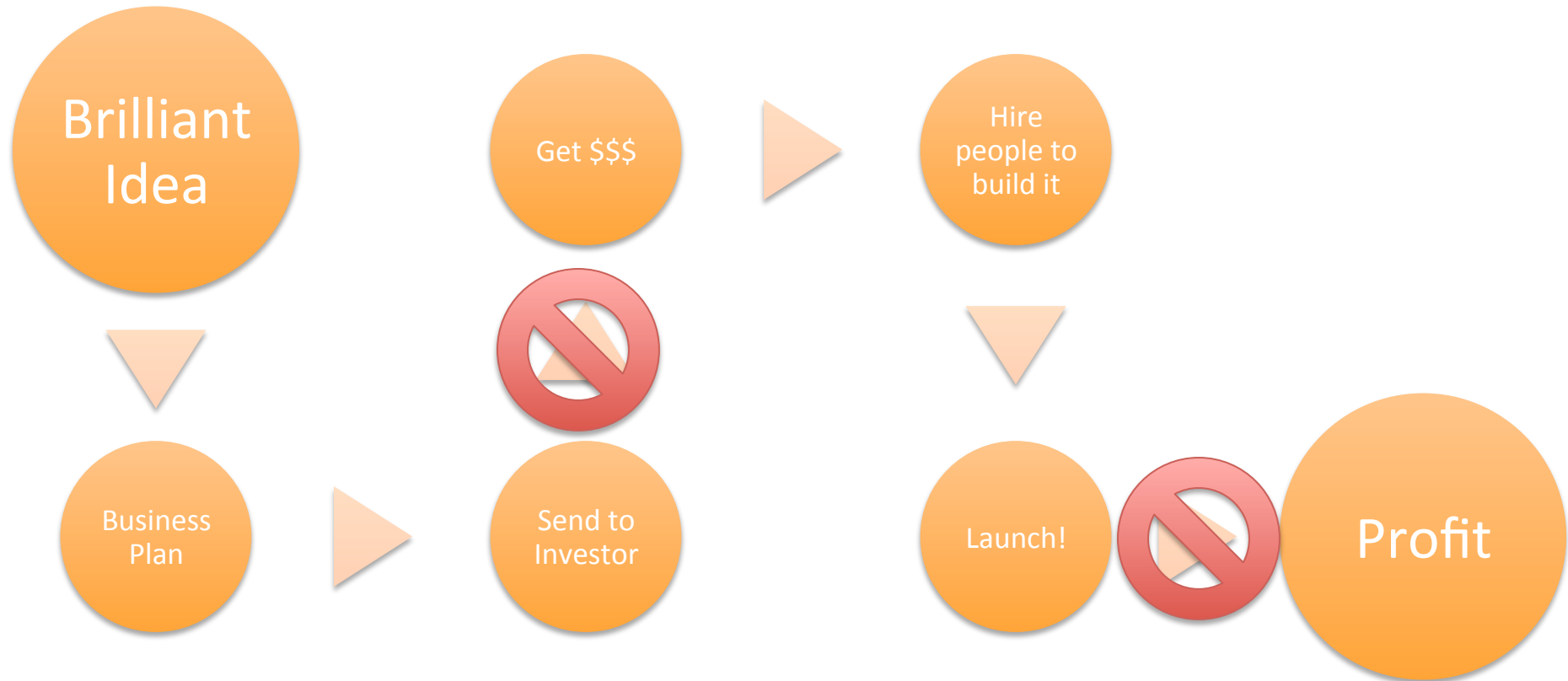




How to Start a Successful Company



This is just extremely **unlikely**.





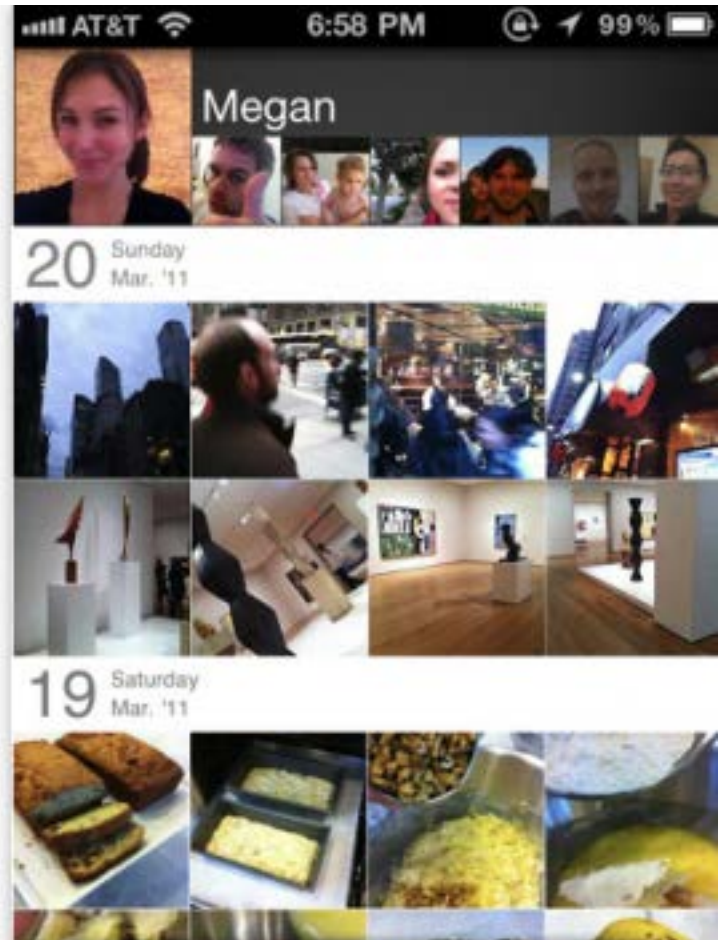
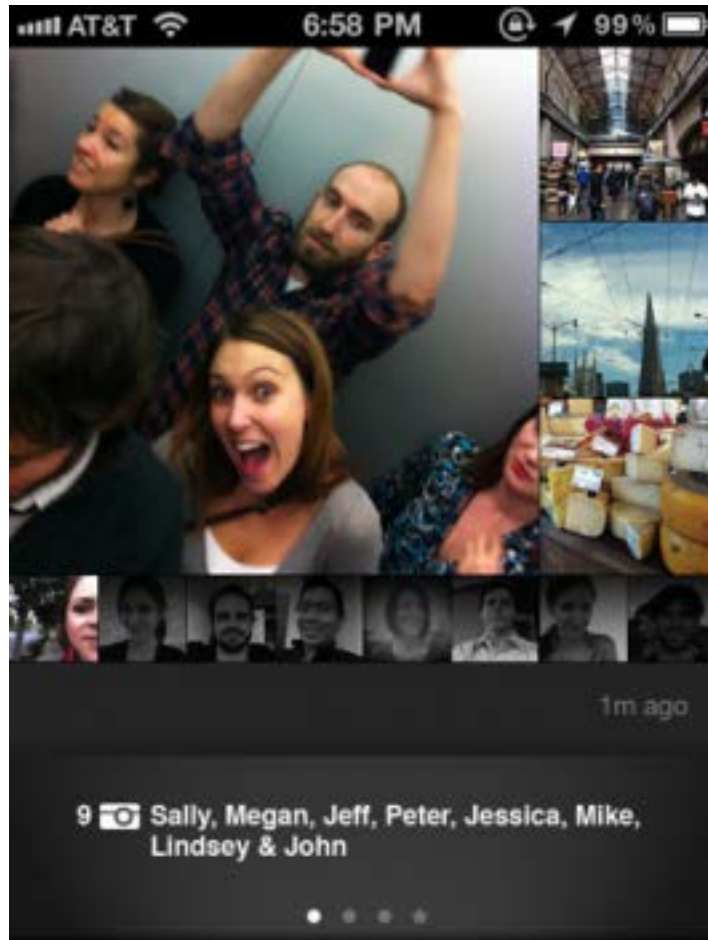
A Real Company





Example of FAILURES

Color - \$41M





Motorola Iridium
\$5b in, \$25m out





How do you avoid failing?

“Make something people want.”

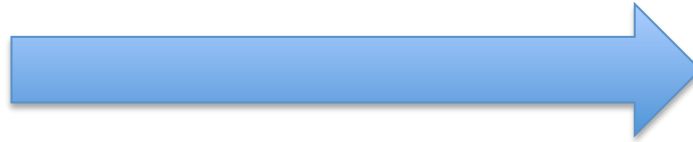


Combinator



How to “start up”

What things?



Which people?

Why do they want them?

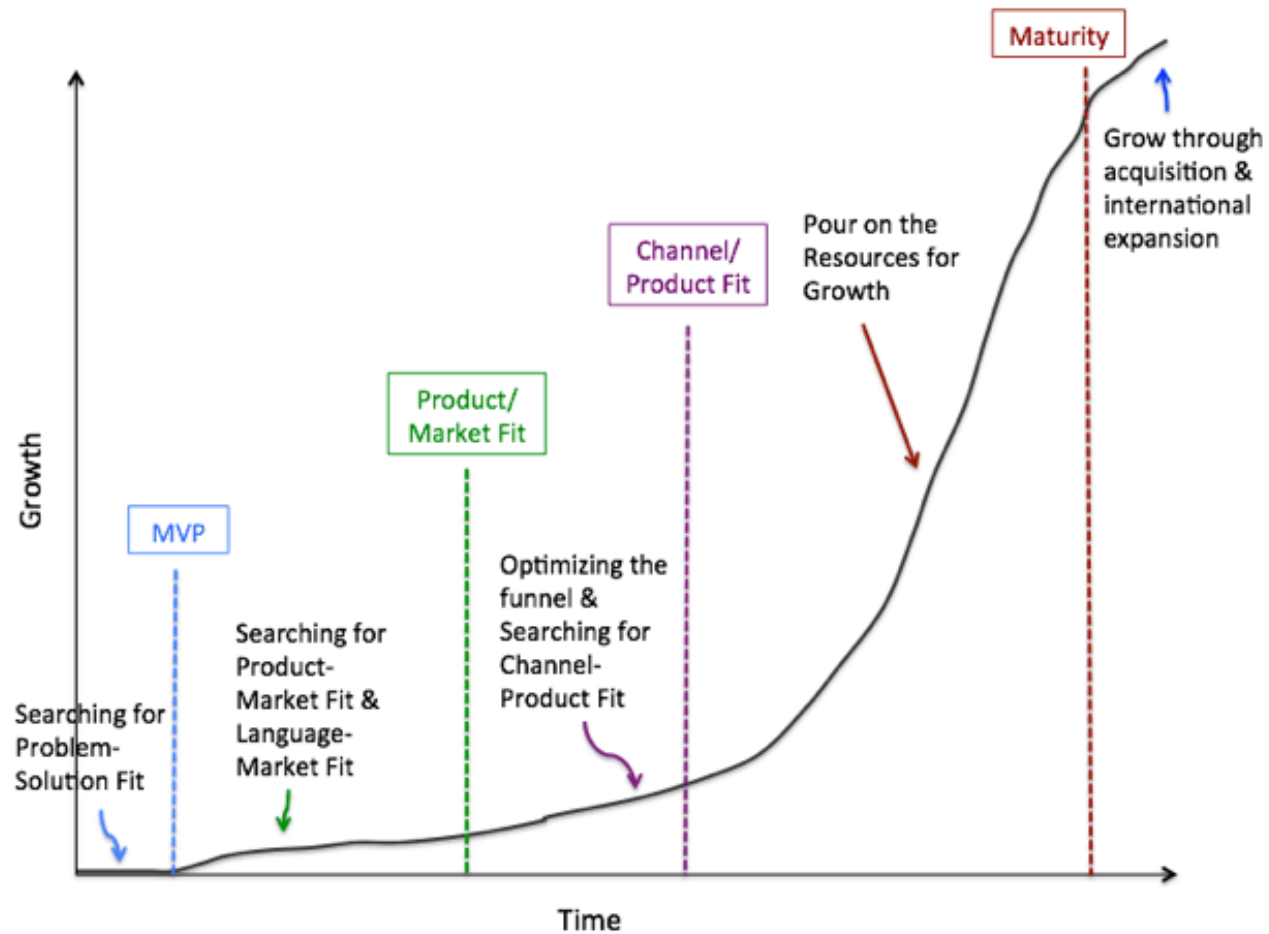
PRODUCT

MARKET

FIT



Startup growth



No business **plan** survives
first contact with customers.

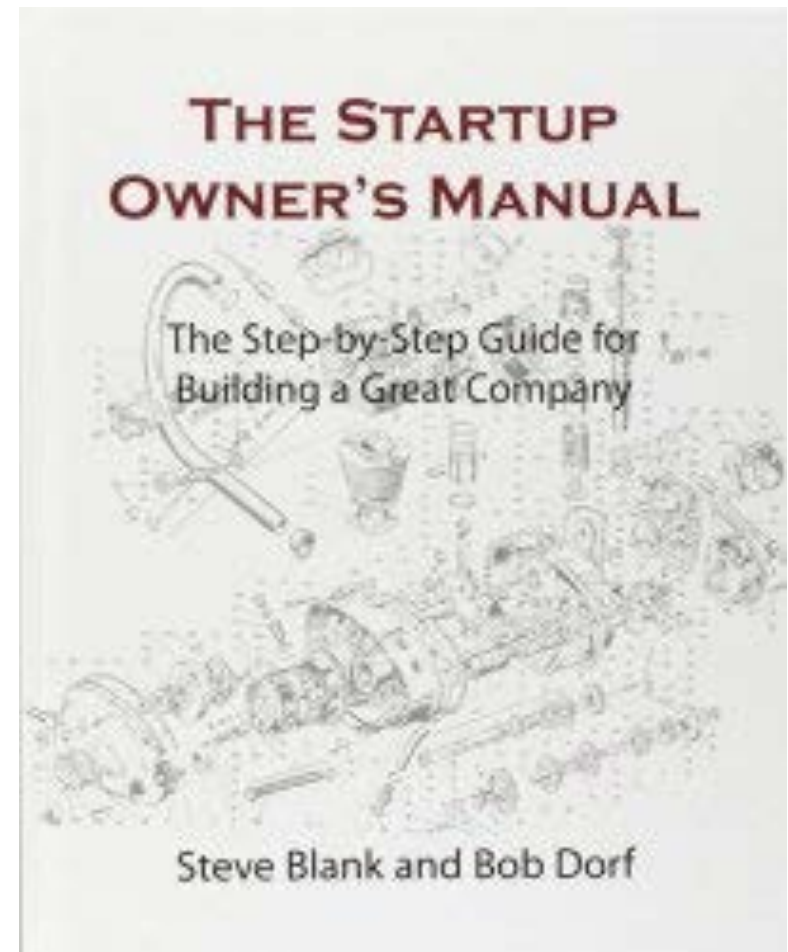
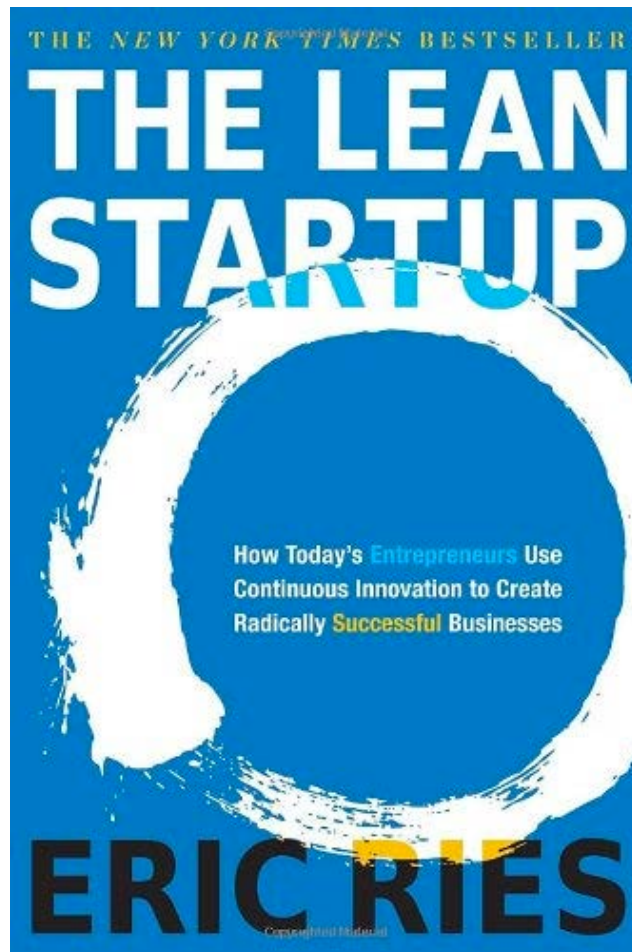


A startup is:

An organization formed to **search** for a
repeatable and **scalable** business model.



Lean Startup



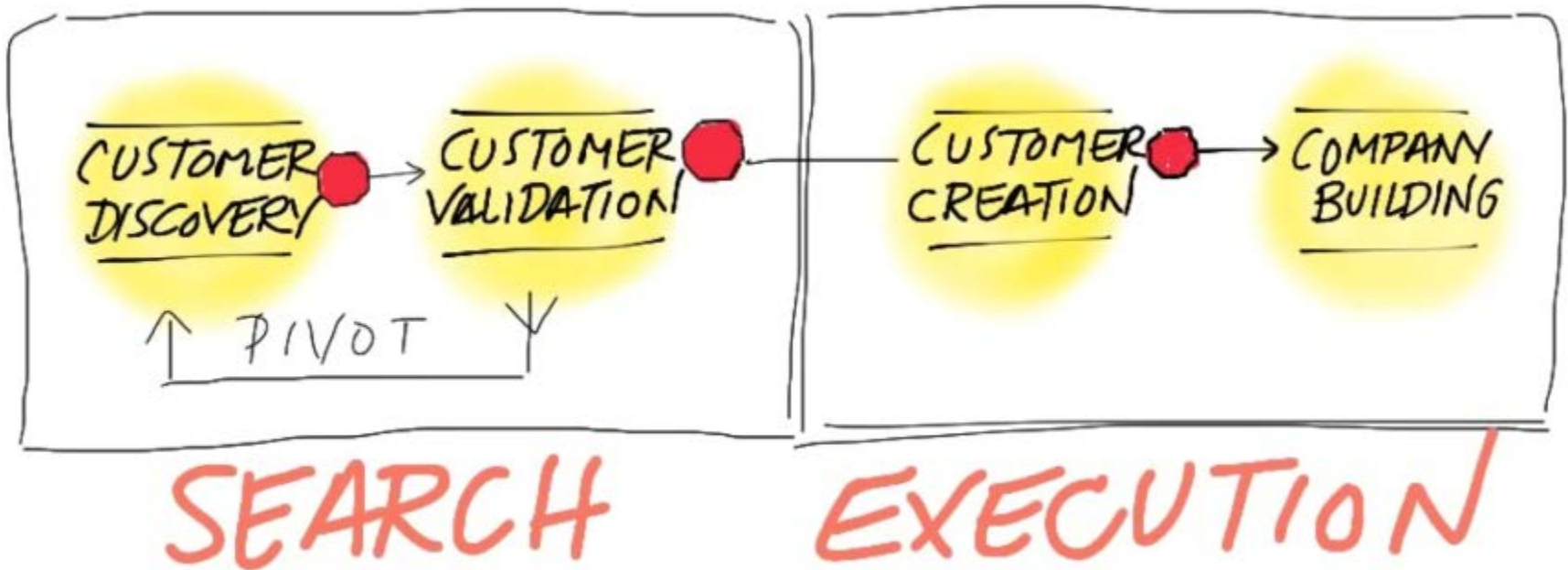


Lean Startup History

- Originated from concept of “lean manufacturing”
 - Explicitly looks at manufacturing from the perspective of the end customer and eliminates anything that does not translate into something they want
 - “Customer-driven development”

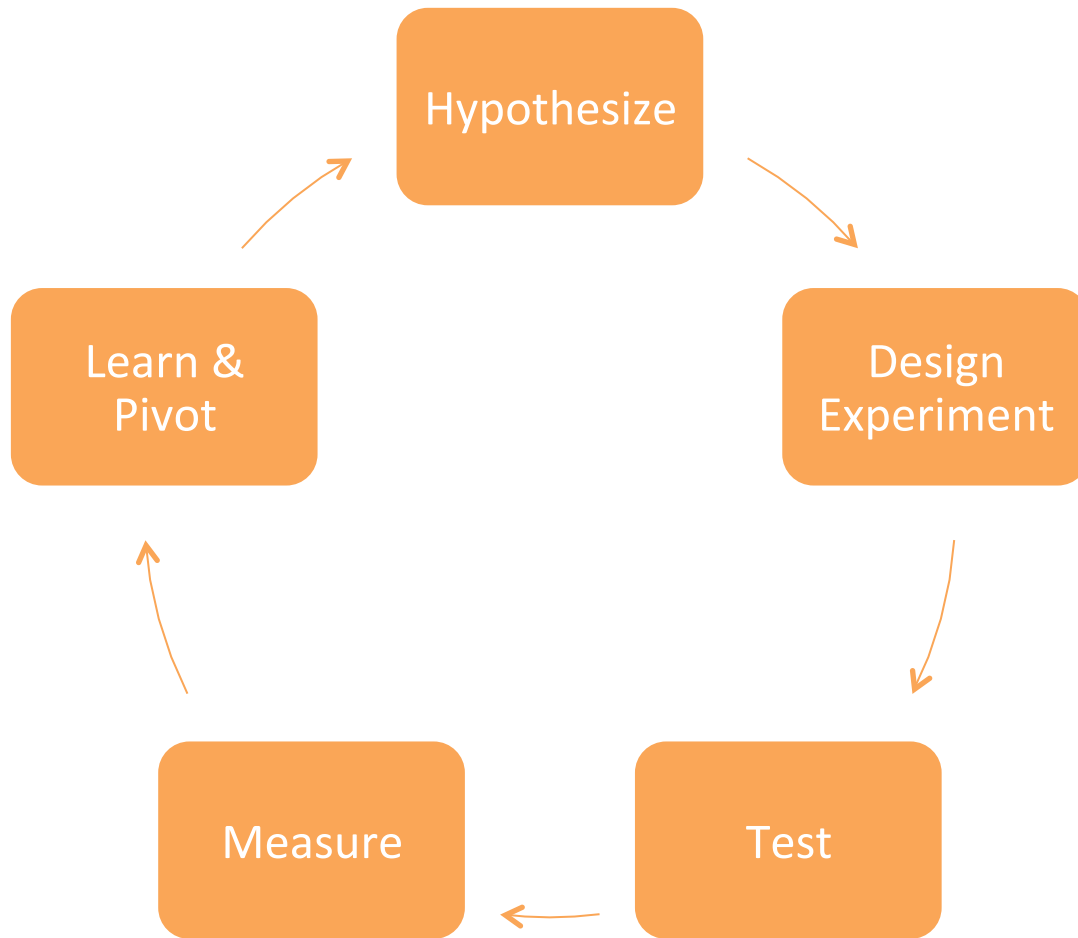


Lean Startup Methodology



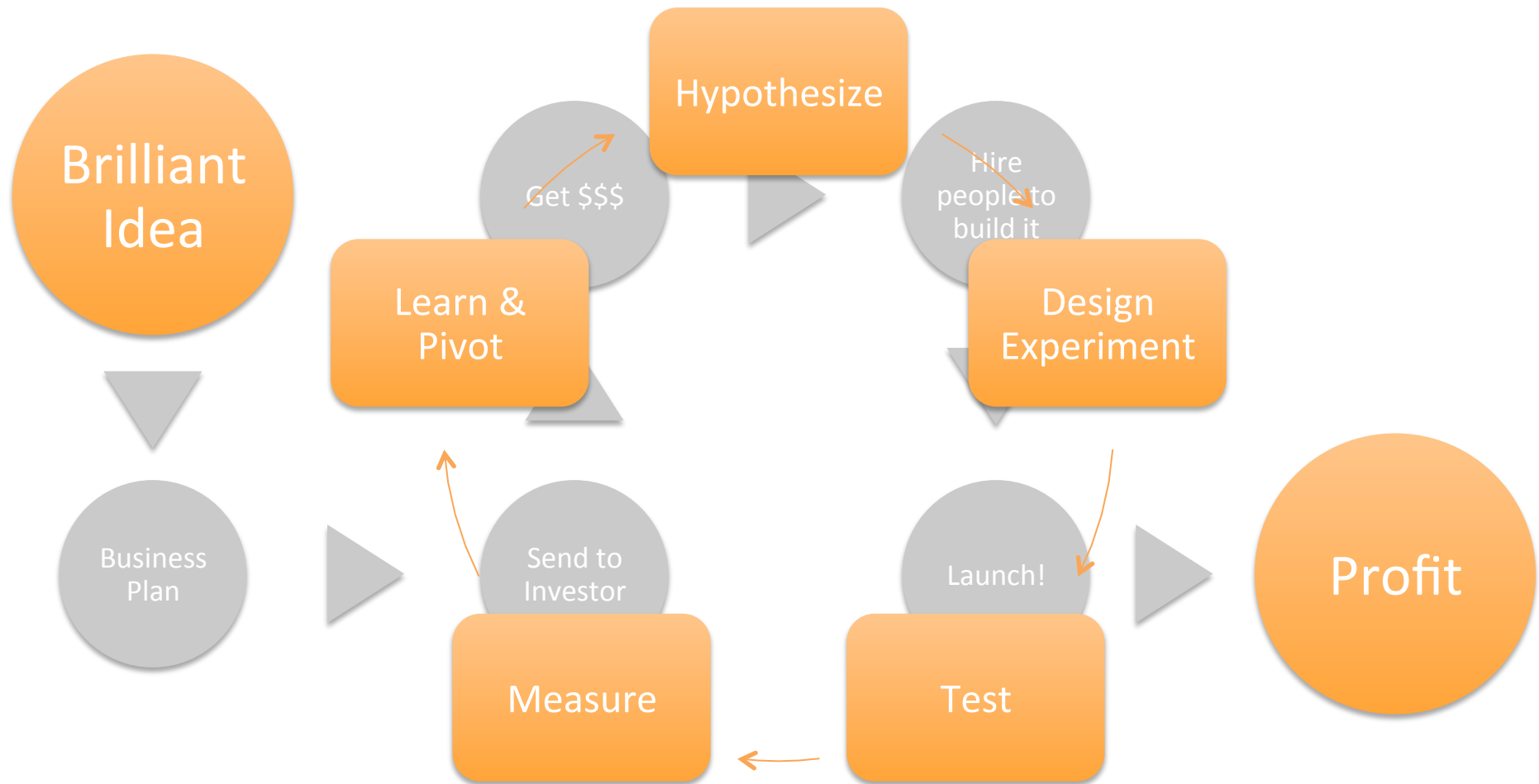


The Lean Startup Cycle





How to Start a Successful Company





What this means for your product/service

- Minimum Viable Product so you can search for Product-Market Fit
- Cycles and iteration
 - Not just conception -> build -> launch



Example:

Justin.tv

- Justin Kan & Emmett Shear create an online calendar, are accepted into Ycombinator
 - Google launches Google Calendar
- Justin.tv is born – just Justin
 - Add other channels
 - Realize people are using it to stream gaming
 - Create Twitch.tv
 - Twitch sells to Amazon for \$970M



Last thoughts

Entrepreneurship is where
an idea/passion meets a market, and the
intersection creates value.



Now you can:

- Identify the different types of entrepreneurship
- State best practices in modern entrepreneurship
- Gauge your expectations for the process and outcomes from launching new products/ startups



Assignment

- Email the founder(s) of a company you admire
 - Tell them why you like/admire their company
 - Thank them for creating it
- You may not get a response, but share if you do!