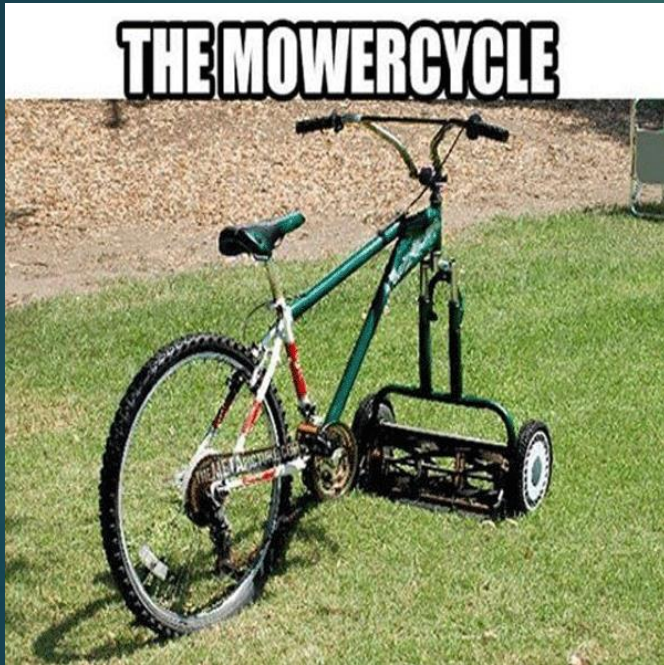




# Entrepreneurialism


# What is the Greatest Invention EVER!?!?!



# Definitions



- ▶ People that notice opportunities and take the initiative to mobilize resources to make new goods and services.
- ▶ One who organizes, manages, and assumes the risks of a business or enterprise.
- ▶ Innovators!



“Entrepreneurship is an activity that involves the discovery, evaluation and exploitation of opportunities to introduce new goods and services, ways of organizing, markets, processes, and new materials through organizing efforts that previously had not existed.”

*Scott Cane, Case Western University*

The true entrepreneur is  
a doer, not a dreamer.

Nolan Bushnell

# Intrapreneurs

- ▶ These are people that work *inside* a **firm**
- ▶ A **firm** is an established business
- ▶ Intrapreneurs promote growth and innovation from within a group
  - ▶ Mobilize resources
  - ▶ Innovate processes
  - ▶ Capitalize on opportunity



# WHAT IS INTRAPRENEURSHIP

## INNOVATION

Out of every 5000 employees, 250 are natural innovators and 25 are great intrapreneurs who can build your next business venture from scratch. **Do you know who your intrapreneurs are and are you supporting them?**



## GROWTH

Companies fostering intrapreneurs perform up to 20% better than their peers. **Are you experimenting already with implementing intrapreneurship at your organization?**

## EMPLOYEE ENGAGEMENT

Intrapreneurship empowers and motivates employees, so that they are happier and more committed. Highly engaged organizations have the potential to reduce staff turnover by 87%. **Time to implement intrapreneurship?**

# Types of Intrapreneurs

- ▶ **Product Champions:** people who take ownership of a product from concept to market.
- ▶ **Skunkworks:** a group of intrapreneurs kept separate from the rest of the organization.
- ▶ **New Venture Division:** allows a division to act as its own smaller company.
- ▶ **Rewards for Innovation:** link innovation by workers to valued rewards.



# Types of Entrepreneurs

## ▶ Innovators:

▶ Takes existing products or services and changes some aspect of them, such as features, size, or pricing

- ▶ Internet
- ▶ Weapons
- ▶ Money

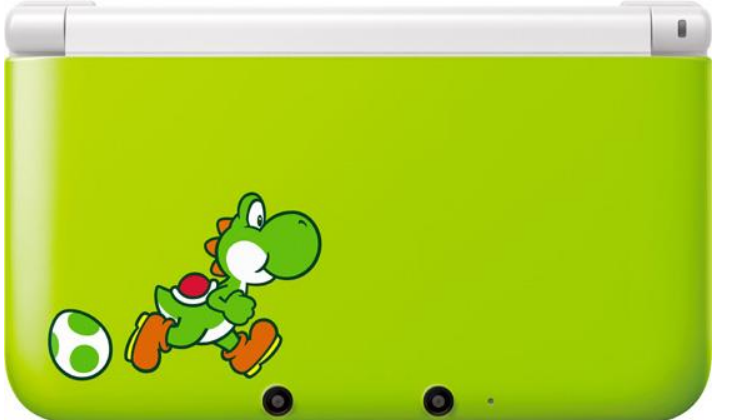
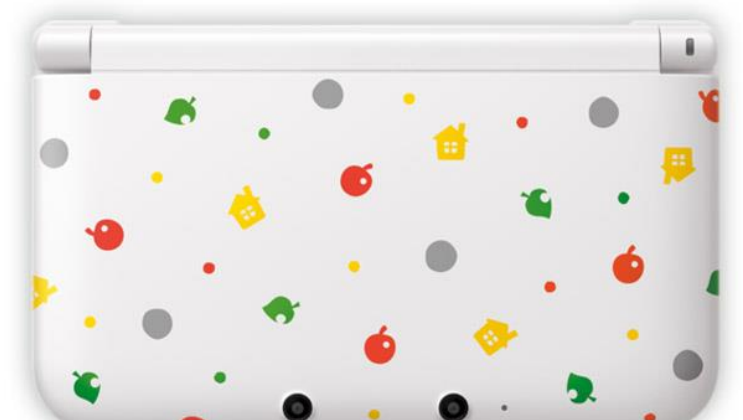
# The Evolution of the Nintendo Controller



# Types of Entrepreneurs

- ▶ **Marketing Entrepreneur:**
  - ▶ They do not change the product itself, but rather the way the product is perceived by consumers.
    - ▶ Fast food
    - ▶ Many times the prices don't even change!
    - ▶ Sometimes they're even worse!





**Strategic Marketing:** Same product – different designs.  
Demand and price increases with shortages.

# Examples in History

- ▶ **Thomas Edison** - Lightbulb
- ▶ **Alexander Graham Bell** - Telephone
- ▶ **Eli Whitney** – Cotton Gin
- ▶ **Benjamin Franklin** - Printer
- ▶ **Henry Ford** – Ford Motor Company
- ▶ **James Naismith** - Basketball
- ▶ **Mary Kay Ash** - Cosmetics
- ▶ **Bill Gates** - Microsoft



What other entrepreneurs can you name?

What about people in your town?

# Who Can Be an Entrepreneur?

## ▶ **Successful**

- ▶ Creative and Innovative
- ▶ Position themselves in shifting or new markets
- ▶ Create new products
- ▶ Create new processes
- ▶ Create new delivery

## ▶ **Unsuccessful**

- ▶ Poor Managers
- ▶ Low work ethic
- ▶ Inefficient
- ▶ Failure to plan and prepare
- ▶ Poor money managers

# Motives

## ▶ **LIFESTYLE**

- ▶ Small company that provides its owner independence, autonomy, and control.
- ▶ Is often run out of household
- ▶ Provides flexibility (hours, meeting places, attire)
- ▶ Aligns your personal interests and hobbies with your desire to make a profit.

## ▶ **SMALLER PROFIT**

- ▶ Small company not concentrated on pushing the envelope and growing inordinately large.
- ▶ Making millions of dollars not important.
- ▶ Content with making a decent living.
- ▶ Ex. Mom and Pop Stores

## ▶ **HIGH GROWTH**

- ▶ Goal is maximum profit and growth.
- ▶ Concentrated on pushing envelope and growing as large as possible.
- ▶ Focus on innovation

# Characteristics

## ▶ **Self-Confidence**

- ▶ Because of the high risks involved in running an entrepreneurial organization, having an “upbeat” and self-confident attitude is essential
- ▶ A successful track record leads to improved self-confidence and self-esteem
- ▶ Self-confidence enables that person to be optimistic in representing the firm to employees and customers alike

## ▶ **Self-Sacrifice**

- ▶ Nothing worth having is free
- ▶ Success has a high price, and entrepreneurs have to be willing to sacrifice certain things

# Characteristics

## ▶ **Need for Achievement**

- ▶ A person's desire either for excellence or to succeed in competitive situations
- ▶ High achievers take responsibility for attaining their goals, set moderately difficult goals, and want immediate feedback on their performance
- ▶ Success is measured in terms of what those efforts have accomplished
- ▶ McClelland's research

## ▶ **Desire for Independence**

- ▶ Entrepreneurs often seek independence from others
- ▶ As a result, they generally aren't motivated to perform well in large, bureaucratic organizations
- ▶ Entrepreneurs have internal drive, are confident in their own abilities, and possess a great deal of self-respect



# Entrepreneurial Careers

- ▶ The idea that entrepreneurial success leads to more entrepreneurial activity may explain why many entrepreneurs start multiple companies over the course of their career
- ▶ **Corridor Principle** - Using one business to start or acquire others and then repeating the process
- ▶ **Serial Entrepreneurs** - A person who founds and operates multiple companies during one career





# SHARK TANK

# Job Creation

- ▶ Large firms add and tend to cut back with the business cycle.
- ▶ In most business cycles, small firms add relatively higher percentage of total net new jobs during the recession phase.
- ▶ During the decade of the 1980's, the Fortune 1000 cut 3.5 million jobs
- ▶ During the same period, small firms added 10 million jobs
- ▶ In 2001, new firm births declined 5.0% and closures rose 4.5%
- ▶ The fraction of employment accounted for by business startups in the U.S. private sector over the 1980-2005 period is about 3 percent per year. This exceeds the 1.8 percent average annual net employment growth. This pattern implies that job destruction exceeds job creation at existing businesses and highlights the importance of business startups for job creation in the U.S. economy

# Risk Assessment

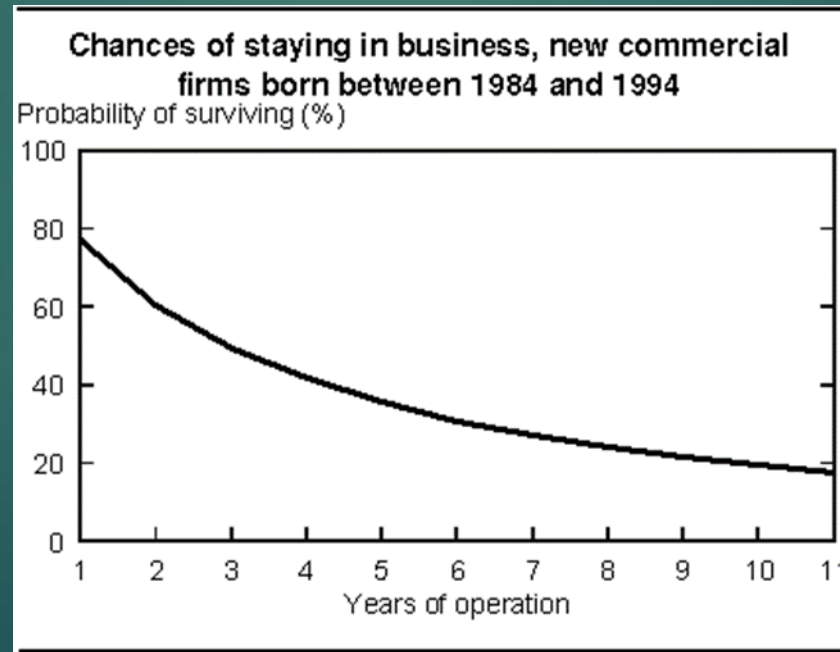
According to Dun & Bradstreet study of businesses between 1989-1992:

66% of businesses remain open at least 2 years.

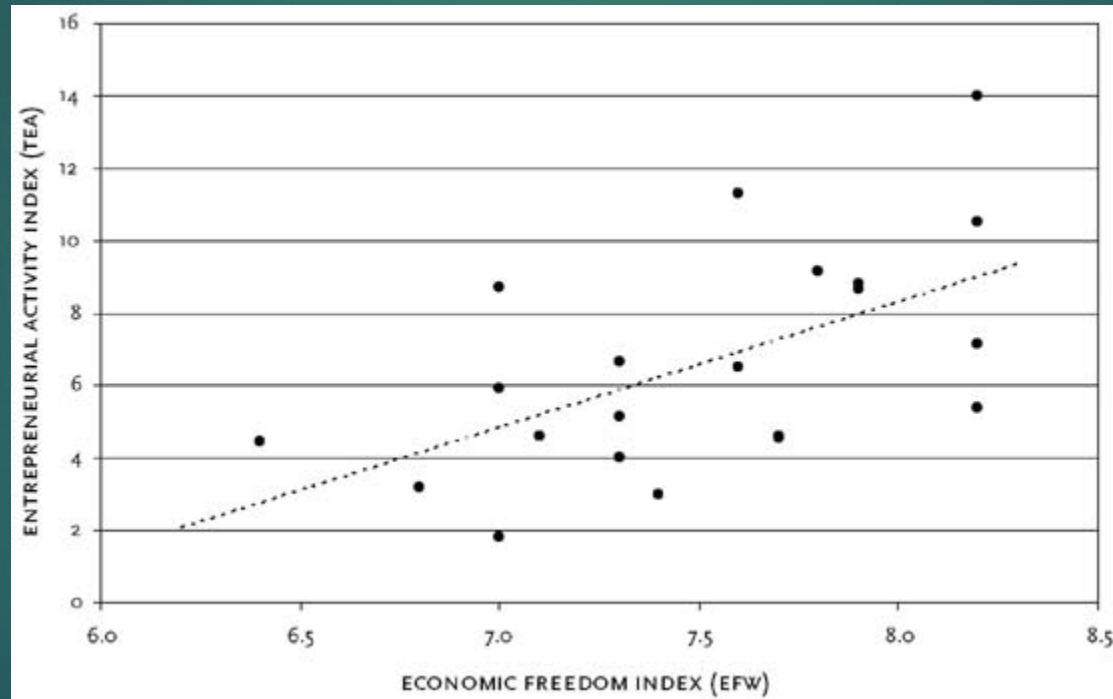
50% remain open at least 4 years.

40% remain open at least 6 years.

Study of Canadian firms found roughly the same:



# Economic Freedom





**"TRY NOT,  
DO OR DO NOT,  
THERE IS NO TRY."**

**- MASTER YODA -**