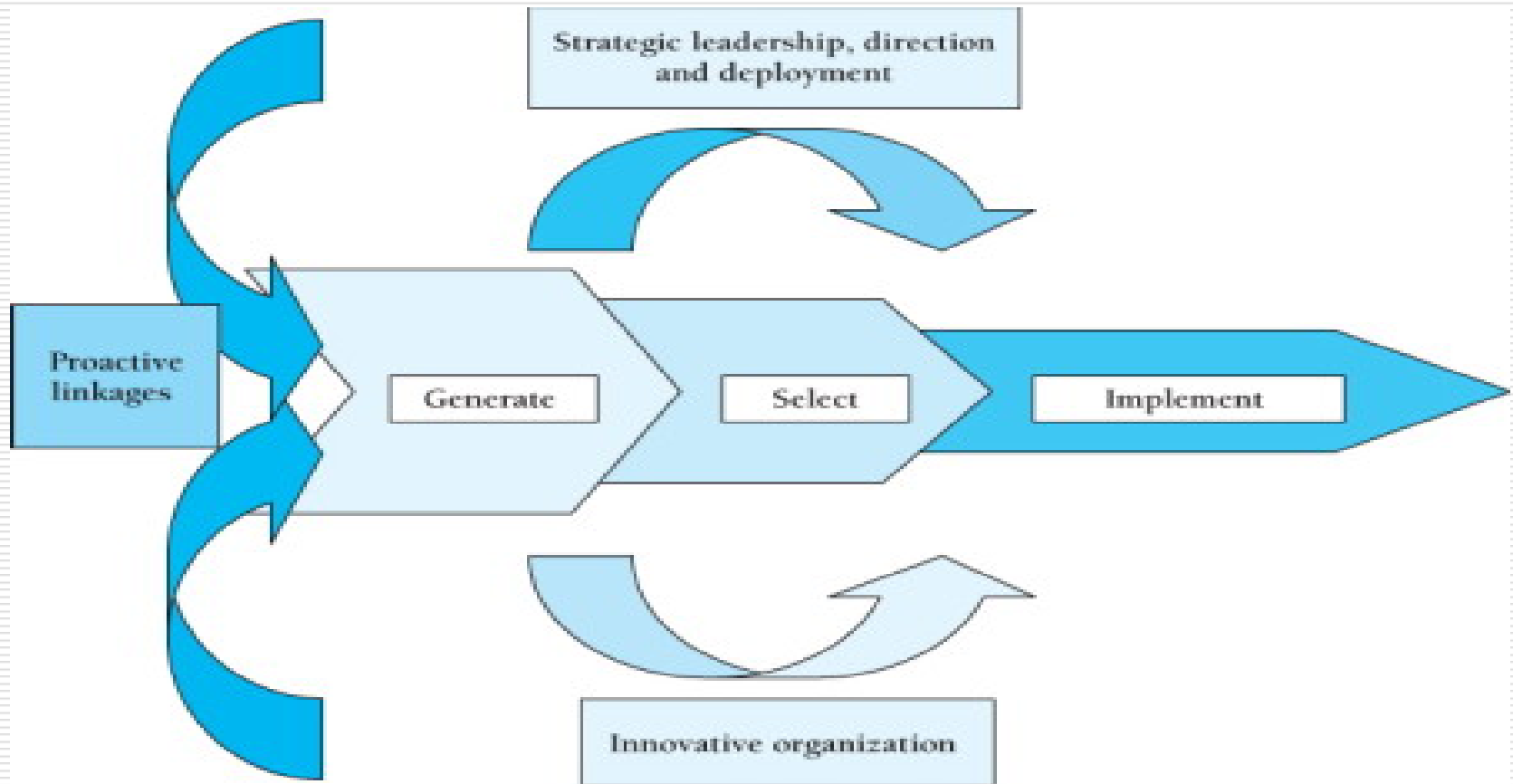


ENGG4061

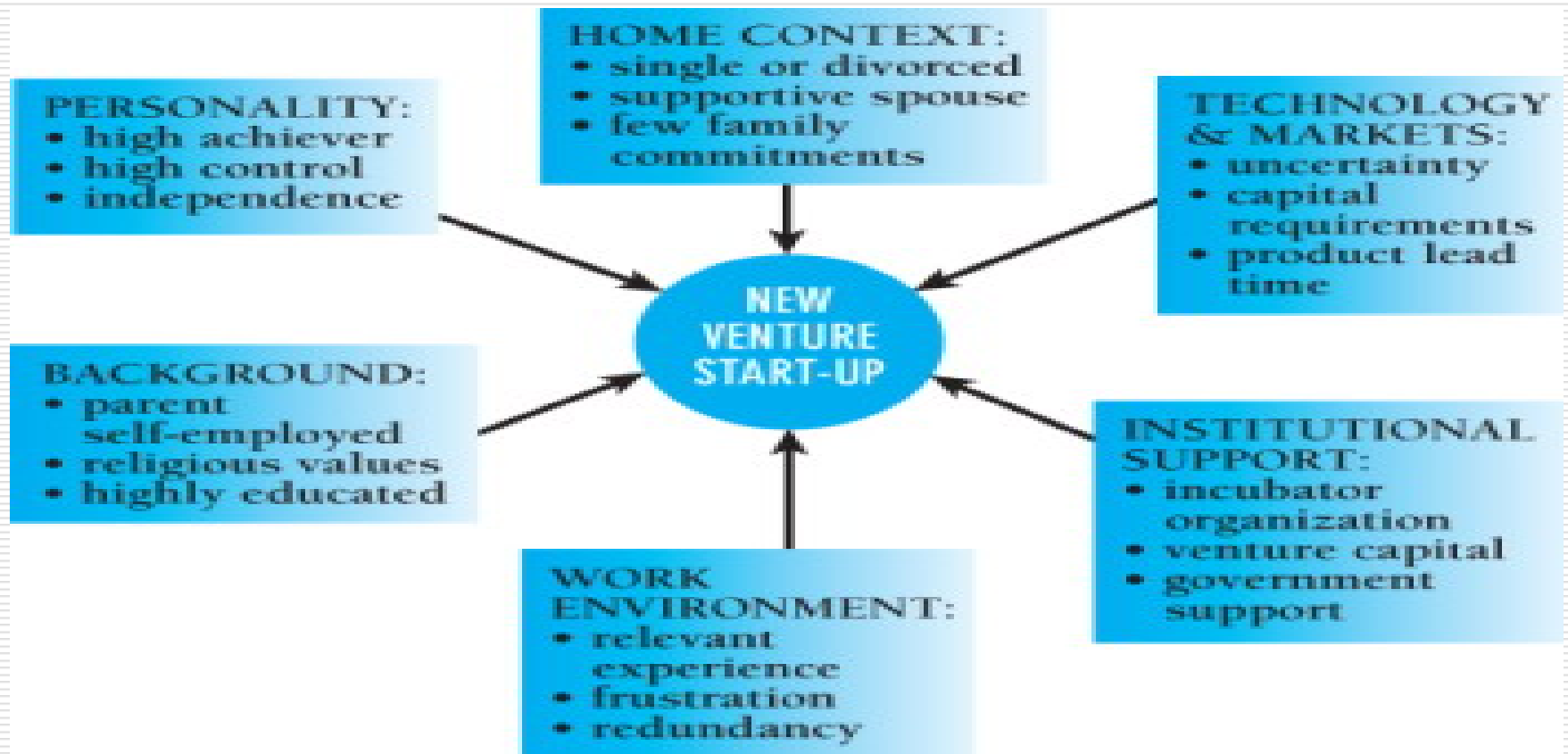
Innovation and Entrepreneurship

Entrepreneurship and New Ventures

Model for Managing Innovation



Factors Influencing the Creation of New Ventures



Primary Characteristics of Successful Entrepreneurs

- ❑ Passion for the 'business'
 - ❑ Product/customer focus
 - ❑ Execution intelligence
 - ❑ Tenacity despite failure
-

Some Myths about Entrepreneurs

- They are born, not made
 - They are gamblers
 - They are motivated primarily about money
 - They are young and energetic (only in their minds)
 - They are attention-seekers
 - They are compensating for ???
-

Table 8.1 Categories of innovating small firms

	<i>Superstars: small firms into big since 1950</i>	<i>New technology-based firms (NTBFs)</i>	<i>Specialized</i>	<i>Supplier-dominated</i>
Examples	Polaroid, DEC, TI, Xerox, Intel, Microsoft, Compaq, Sony, Casio, Benetton	Start-ups in electronics, biotechnology and software	Producer of goods (machines, components, instruments, software)	Traditional products (e.g. textiles, wood products, food products) and many services
Sources of competitive advantage	Successful exploitation of major invention or technological trajectory	<ol style="list-style-type: none"> 1. Product or process development in fastmoving and specialized area 2. Privatizing academic research 	Combining technologies to meet user's needs	Integration and adaptation of innovations by suppliers
Main tasks of innovation strategy	Preparing replacements for the original invention (or inventor)	<ol style="list-style-type: none"> 1. 'Superstar' or 'specialized supplier'? 2. Knowledge or money? 	Links to advanced users and pervasive technologies	Exploiting new IT-based opportunities in design, distribution and co-ordination

Stages in Creating a New Venture

- ❑ Assessing the opportunity for a new venture – generating, evaluating and refining the business concept
 - ❑ Developing the business plan and deciding the structure of the venture
 - ❑ Acquiring necessary resources and finance
 - ❑ Growing and harvesting the venture – creating and extracting value from the business
-

Social Entrepreneurship

- Aim is to create social change and value, rather than commercial and financial value
 - Usually involves a range of organisations – govt, business and NGOs
 - Examples – poverty relief, community development, healthcare, environmental sustainability, arts and culture
-

From idea to opportunity

- An opportunity is a favorable set of circumstances that create a need for a new product, service or business
 - An idea is a thought, impression or notion ...which may or may not meet the criteria of an opportunity
-

Essential qualities of an Opportunity

Attractive

Timely

Durable

Creates value for its user

How to identify an opportunity

- *Observing trends* – demographics (ageing), economic forces, (*time poverty*) fashions, (*SMS*) new technologies (*Internet*), political changes (*OH&S*)
 - *Solving a problem* – often from personal experience (*childcare, fitness, package delivery*)
 - *Finding Gaps in the Marketplace* – (*Curves, BoostJuice, specialty interests*)
-