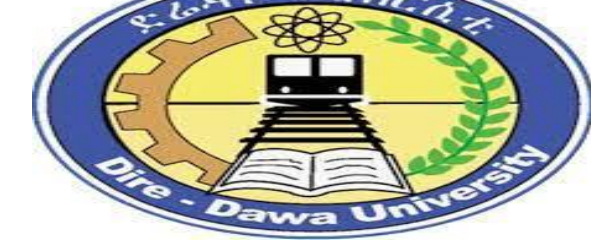




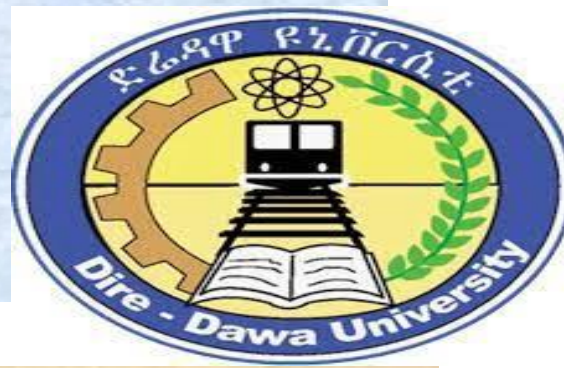
**COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT**



**Entrepreneurship and Business Development
Freshman Program**



Course Objectives



At the end of this course students will be able to:

1. Define entrepreneurship within the context of society
2. Identify business opportunities
3. Prepare business plan
4. Distinguish forms of business ownership
5. Comprehend intellectual property rights in business practices
6. Define basic marketing concepts
7. Formulate context-based marketing strategies
8. Identify and evaluate sources of financing new ventures
9. Manage business growth and transition
10. Practice ethical business with all stakeholders



Core Course



Chapter One: The Nature Of Entrepreneurship

Chapter Two: Business Planning

Chapter Three: Business Formation

Chapter Four: Product or Services Development

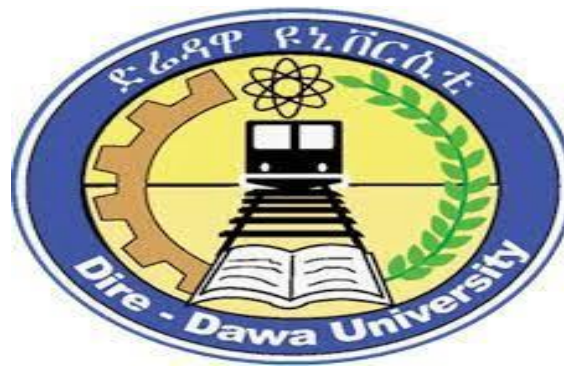
Chapter Five: Marketing

Chapter Six: Financing the new venture

**Chapter Seven: Managing Growth and
Transition**

Chapter One

The Nature Of Entrepreneurship

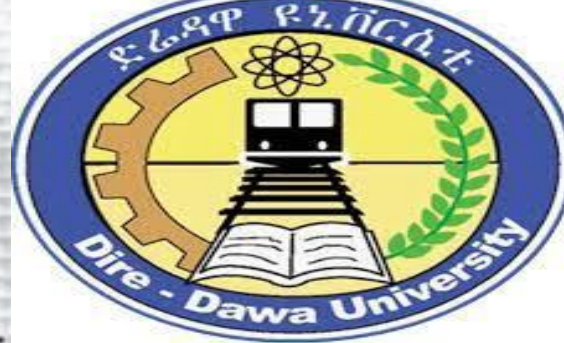


1. Definition and philosophy of Entrepreneurship Vs Entrepreneurs
 1. Historical origin of entrepreneurship
2. Type of Entrepreneurs
3. Role within the economy
4. Entrepreneurial Competence and Environment
 1. Entrepreneurial Mindset
 2. Demographic Factors
 3. Entrepreneurial Environment
5. Entrepreneurship, creativity and innovation



Learning Outcome

- ✓ After completing this chapter, students will be able to:
 1. Define the term entrepreneurship and entrepreneur
 2. Identify types of entrepreneur
 3. Recognize the role of entrepreneurship in the economy
 4. Analyze the entrepreneurial competences
 5. Differentiate the term creativity and innovation



ENTREPRENEURSHIP

WHAT

WHY

IMPORTANT

MAKE MONEY!

SOLVE PROBLEM FOR COMMUNITY!

IDEAS

FIND

JOURNAL

NEEDS

BRAIN STORM

WHAT I NEED THAT I CANNOT FIND

OF PEOPLE AROUND YOU

= CREATE NEW PRODUCT

KEEP DOING!

AGAIN!

DO

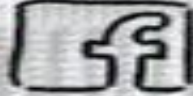
DO

TAKE RISKS !!!

PLAN!

FAMOUS ENTREPRENEURS

→  STEVE JOBS

→  MARK ZUCKERBERG

→  RICHARD BRANSON



The Nature of Entrepreneurship

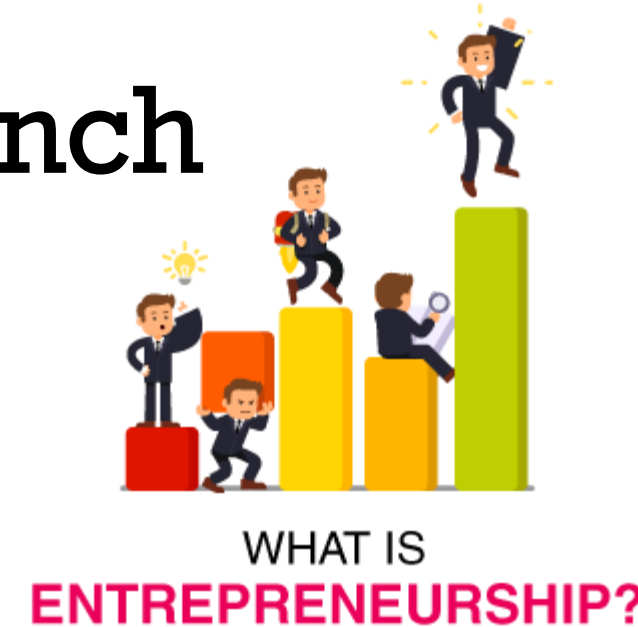
1.1 Entrepreneurship: *Historical Perspective*

❖ The term *entrepreneur* comes from French term

„**entreprendre**“, meaning "to undertake"

❖ or from words "**Entre**" = "between" + "**prendre**" =
—**taker**".

❖ The verb is —entreprendre or to undertake.



The Nature of Entrepreneurship

Entrepreneurship: *Historical Perspective (Continued)*



❖ *Historical Development of Entrepreneurship:*

**Ancient
Period**

- Manage large commercial projects through the resources provided to them.

14th Century

- Tax Contractors – pay money to government to get license for collecting taxes.

**17th
Century**

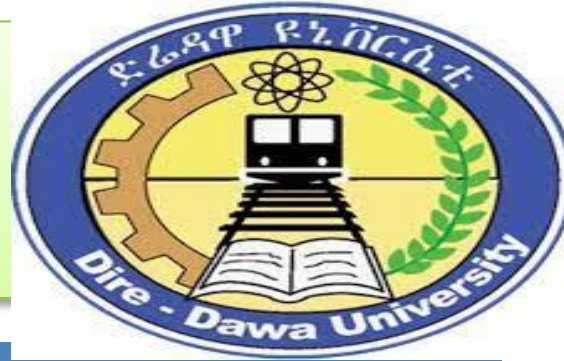
- Signed a contractual agreement with the government to supply products/services at a fixed price.

**1776 Adam
Smith**

- Undertook the formation of an organization for commercial purposes.
- Unusual foresight to recognize demand for G & S

The Nature of Entrepreneurship

Entrepreneurship: *Historical Perspective (Continued)*



18th Century Richard Cantillon

Risk taker: buy products at a known price and sell it at an unknown price.

- Entrepreneurial role and capital providing/venture capitalist/ role were differentiated

19th – 20th C.

- Organizes and operates an enterprise for personal goal. Capital + Materials/Land/Labor + Own Skill

1934 Joseph Schumpeter

- Force of “creative destruction”
- Innovators who use the process to change old ways

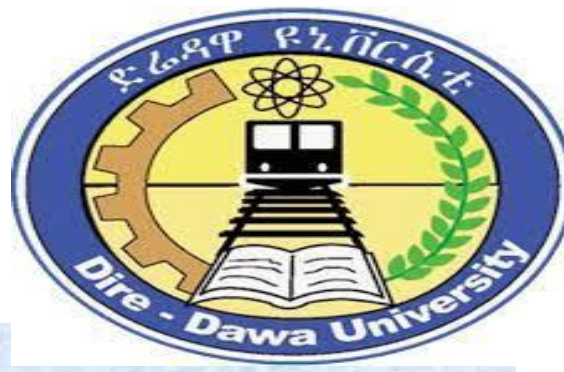
Middle 20th C.

- Entrepreneur: inventor
- Reform pattern of production (new products, old in new ways, and new in new ways)

❖ Entrepreneurship: Risk, Innovation and Newness

The Nature of Entrepreneurship

Entrepreneurship: Definition (Continued.)



Definition 3: Definitions From Different Perspectives

- ❖ **3.1. Economist:** an entrepreneur is *one who brings resources (labor, materials, and other assets) into combination* that makes their value greater than before and also the one who introduces changes and innovations.
- ❖ **3.2. Psychologist:** an entrepreneur is *a person typically driven by certain forces need to obtain or attain something, to experiment, to accomplish or perhaps to escape the authority of others.*
- ❖ **3.3. Capitalist Philosopher:** an entrepreneur is *one who creates wealth for others as well, who finds better way to utilize resources and reduce waste and who produce job which others are glad to get.*



Definitions of Entrepreneurship

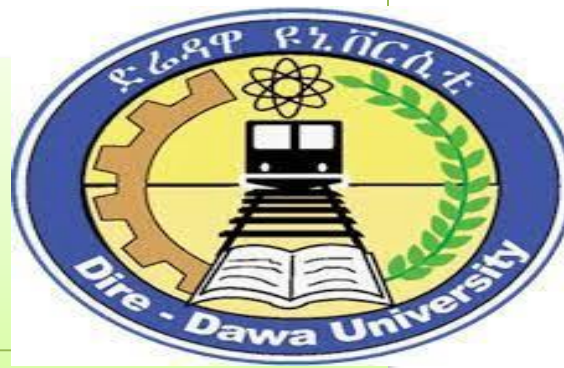
“Entrepreneurship involves recognizing an opportunity to create something new.”

“Entrepreneurship is the pursuit of opportunity without regard to resources currently controlled.”

“The ability to create and build a vision from practically nothing.”

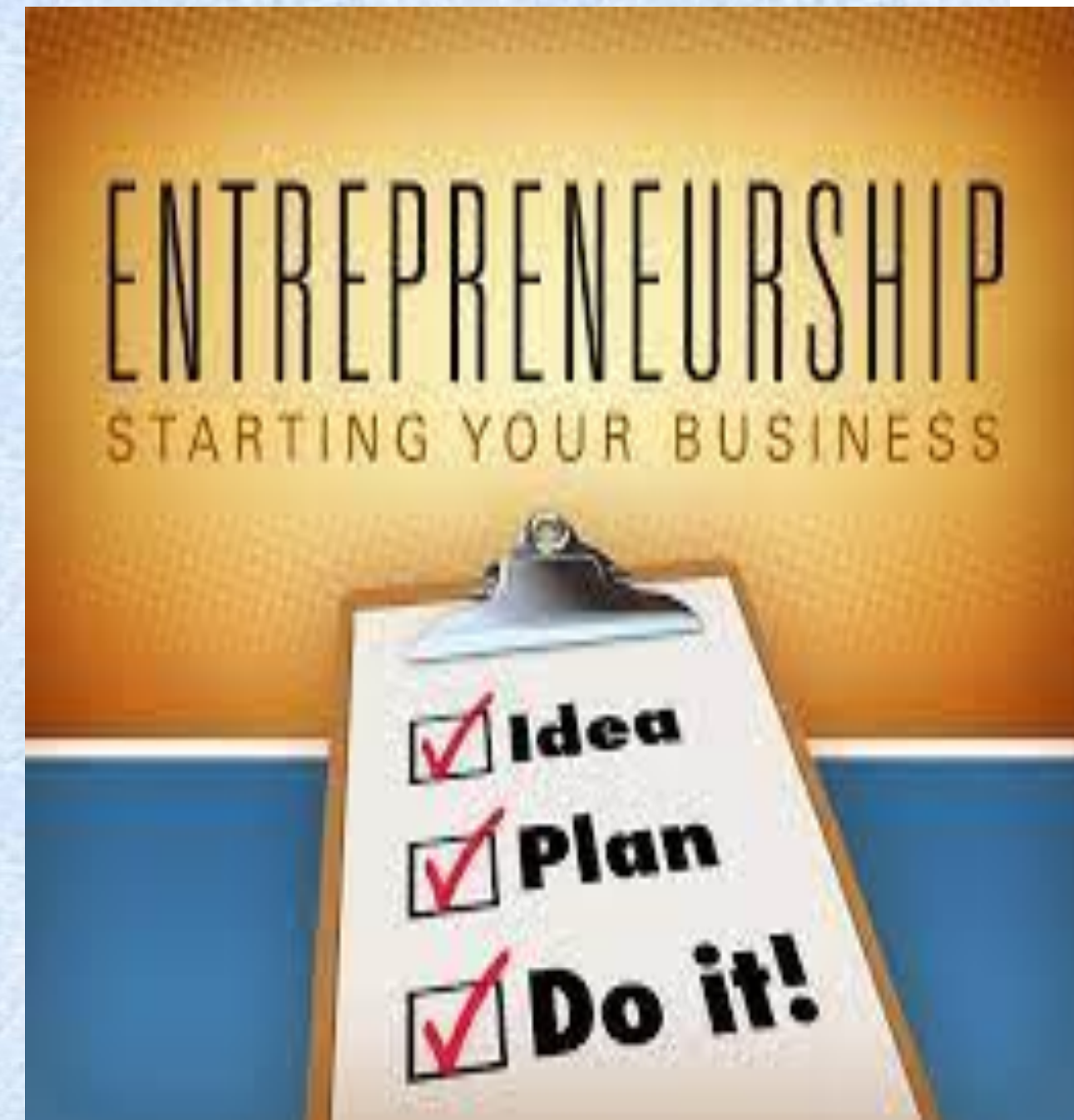
The Nature of Entrepreneurship

Definition of Entrepreneurship



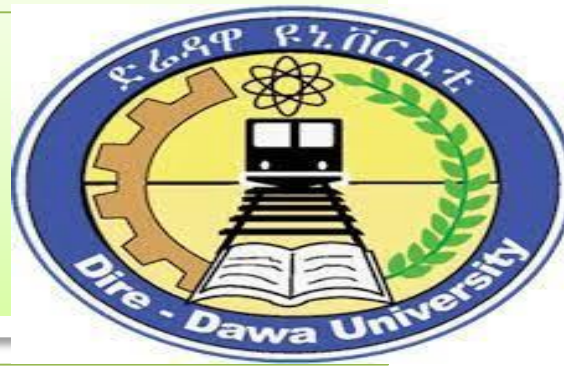
1. **Entrepreneurship** is the process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and investing the resources to exploit the opportunities for long term gains.

It involves creating incremental wealth by bringing together resources in new ways to start and operate an enterprise.



The Nature of Entrepreneurship

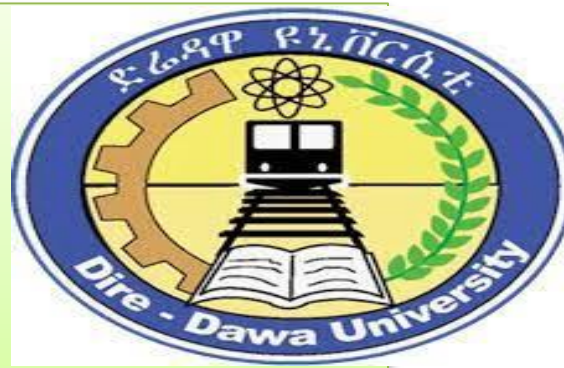
Definition of Entrepreneurship (continued..)



- 2. Entrepreneurship** is the processes through which individuals become aware of business ownership then develop ideas for, and initiate a business.
- 3. Entrepreneurship** can also be defined as the process of creating something different and better with value by devoting the necessary time and effort by assuming the accompanying financial, psychic and social risks and receiving the resulting monetary reward and personal satisfaction. In this case an individual should come up with something different and better in order to be named as entrepreneur.

The Nature of Entrepreneurship

Definition of Entrepreneurship continued..



4. **Entrepreneurship** is the **art** of **identifying viable business opportunities** and **mobilizing resources to convert** those **opportunities** into a successful enterprise *through* **creativity, innovation, risk taking** and **progressive imagination**.

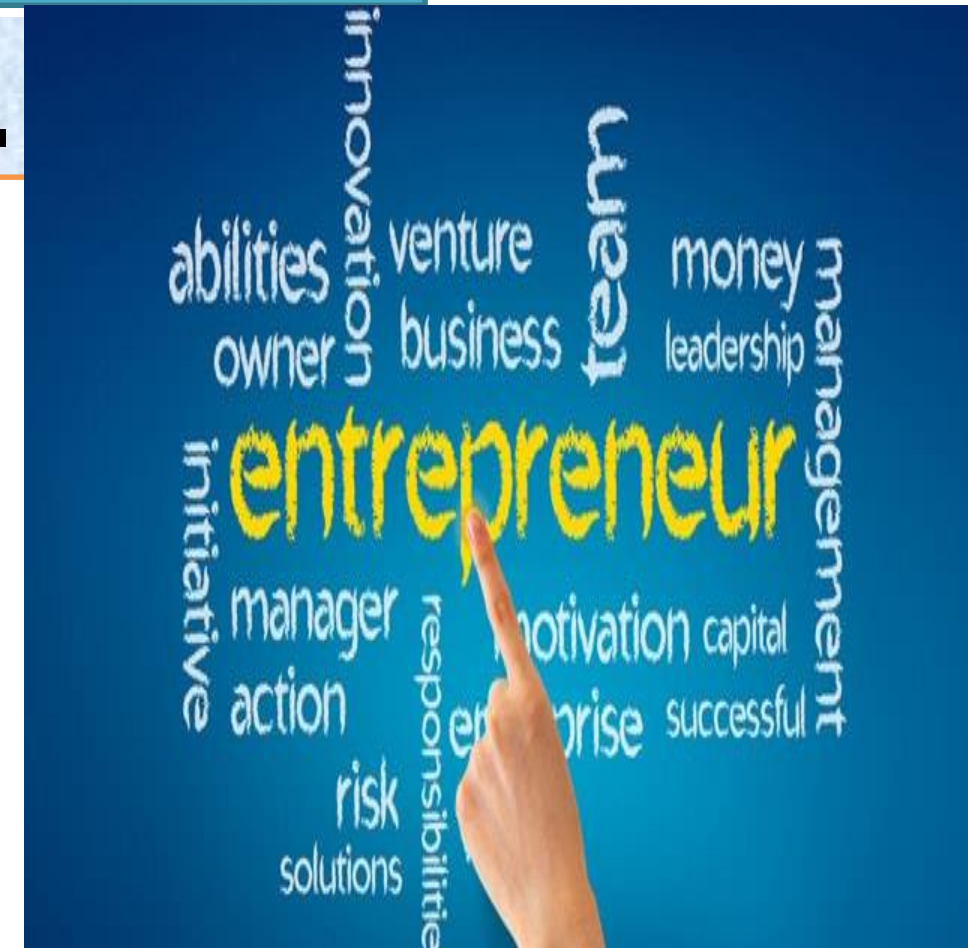
"To be successful, you have to have your heart in your business, and your business in your heart."

- Thomas Watson Sr.

In general, the process of entrepreneurship includes five critical elements. These are:.



1. The **ability** to **perceive** an **opportunity**.
2. The **ability** to **commercialize** the **perceived opportunity** i.e. innovation
3. The **ability** to pursue it on a sustainable basis.
4. The **ability** to pursue it through **systematic means**.
5. The acceptance of **risk** or **failure**.



Conceptual Model of Entrepreneurship

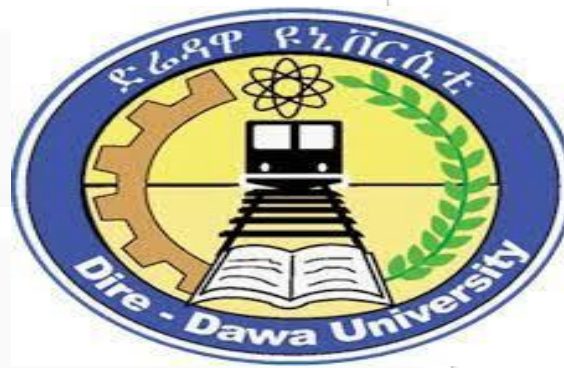
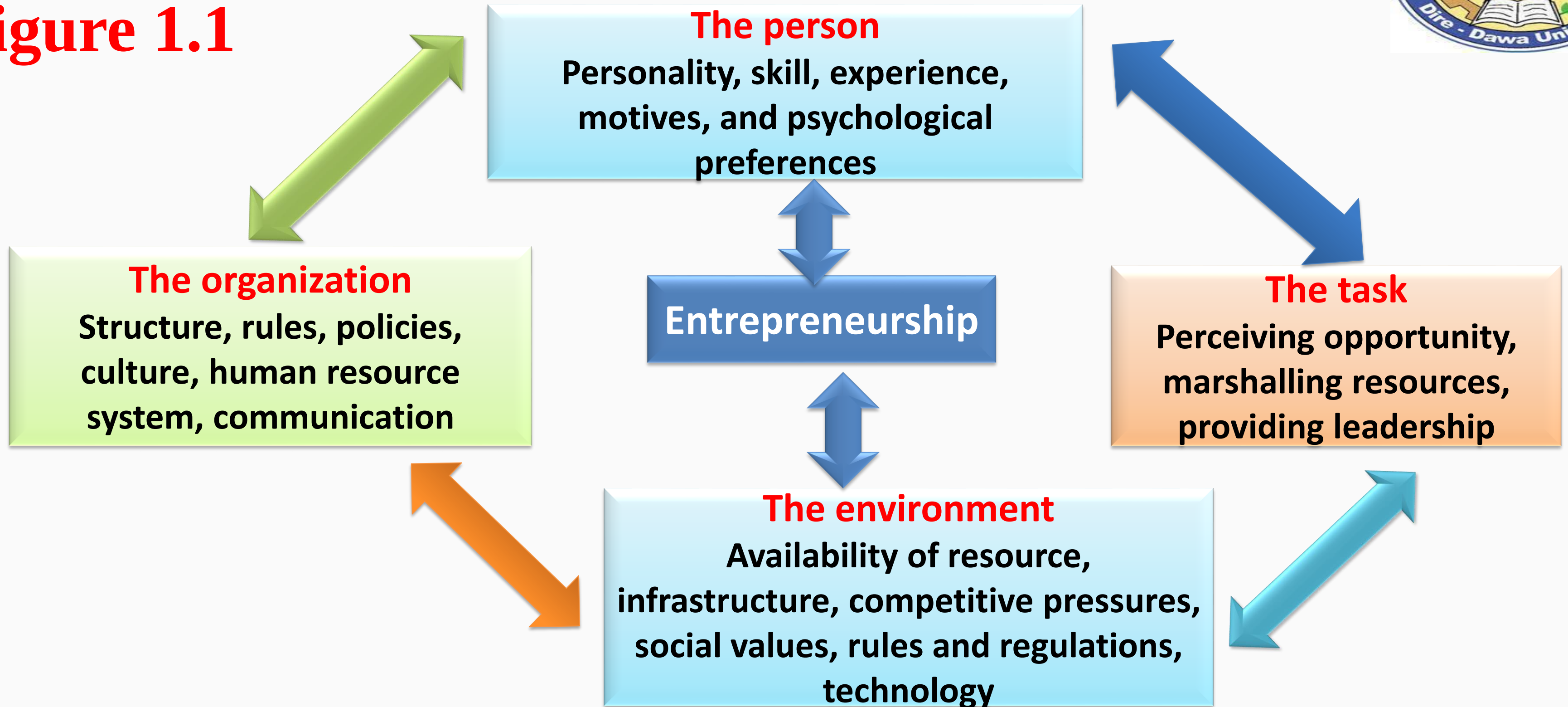
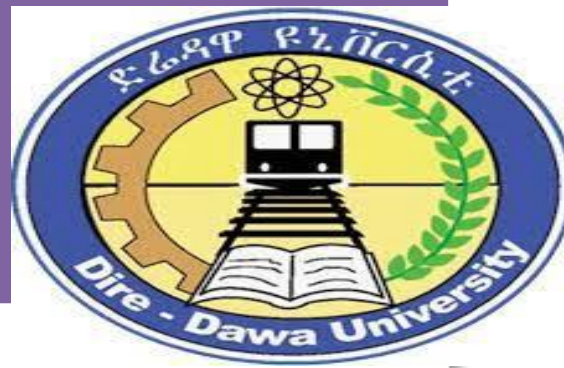


Figure 1.1



In General an entrepreneur is;



FOR
ENTREPRENEURS,
WORK IS LIFE
AND
LIFE IS WORK

Entrepreneur is one who identifies and sensitizes the opportunities, innovate the ideas, raises money, assembles inputs and set and manage the organization, and assumes the responsibility for it.



An entrepreneur can be defined as follows:



1. An **entrepreneur** is any person who creates and develops a business idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customer needs.
2. An **entrepreneur** can also be defined as a professional who discovers a business opportunity to produce improved or new goods and services and identifies a way in which resources required can be mobilized.

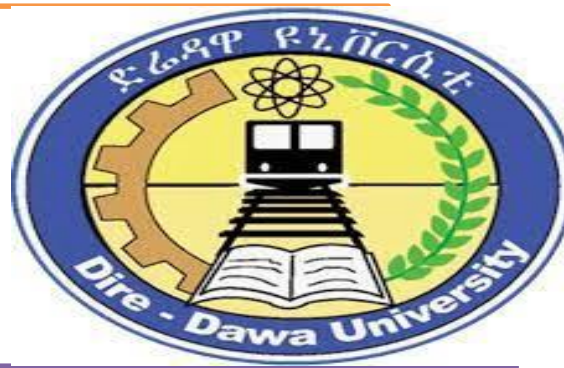
An entrepreneur can be defined as follows: (Continued.....)



3. An **entrepreneur** is an individual who: has the ability to identify and pursue a business opportunity; undertakes a business venture; raises the capital to finance it; gathers the necessary physical, financial and human resources needed to operate the business venture; sets goals for him/herself and others; initiates appropriate action to ensure success; and assumes all or a major portion of the risk!
4. An **entrepreneur** is a person who: create the job not a job-seeker; has a dream, has a vision; willing to take the risk and makes something out of nothing

The Nature of Entrepreneurship

Entrepreneurship: *Historical Perspective*



- ❖ What is entrepreneurship? And who is an entrepreneur?
- ❖ Related concepts:
 - **Entrepreneur**: a person who undertakes a certain project
 - **Entrepreneurship**: how the entrepreneur does what S/he wants
 - **Entrepreneurial process**: means through which new value is created as a result of a project



Entrepreneur

Person

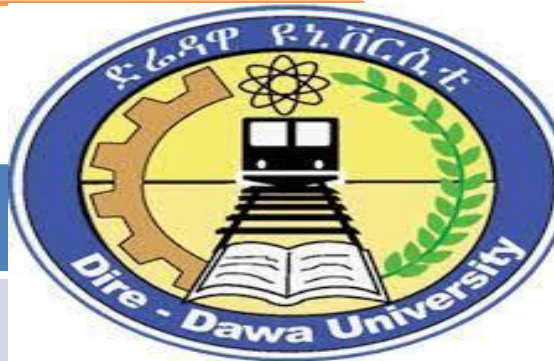
Entrepreneurship

Process

Enterprise

Outcome

Entrepreneur Vs Entrepreneurship



Entrepreneur	Entrepreneurship
Refers to person:	Refers to process:
Visualizer	Vision
Creator	Creation
Organizer	Organization
Innovator	Innovation
Technician	Technology
Initiator	Initiative
Decision maker	Decision
Planner	Planning
Leader	Leadership
Motivator	Motivation
Programmer	Action
Risk taker(bearer)	Risk taking(bearing)
Communicator	Communication
Administrator	Administration

Entrepreneur

Somebody who sees a new opportunity and creates a business to exploit it

**STRONG BUSINESS
ACUMEN**

**They have strong
people skills**

**TONS OF
COURAGE**

They are open-minded

They are confident

They are disciplined

They are self-starters



They are determined

They are creative

They have passion

They are competitive

**ADAPTABLE
PEOPLE**

**They have a
strong work ethic**

**FAST
LEARNERS**

1.2 Types of Entrepreneurs



- 1. The individual entrepreneur^{5 1}:** owns his own independent organization.
- 2. Intrapreneur:** does entrepreneurial work within large organization
 - ❖ **Employee Intrapreneur:** inside entrepreneur who follows the goal of the organization and gets support and resources from the organization
 - ❖ **Self-employed Intrapreneur:** develops a business based on a business format/model of another company
 - ❑ Low risk alternative because he operates within the set policies and procedures

The Ultimate Intrapreneur



- ▶ **Steve Jobs**, Apple's Chairman was specifically helpful in popularizing the term "intrapreneurship." In a September 30, 1985 "Newsweek" article Jobs said of intrapreneurship within Apple, *"The Macintosh team was what is commonly known as intrapreneurship... a group of people going, in essence, back to the garage, but in a large company."*



successful intrapreneurial ventures

- ▶ **APPLE's "Macintosh;"**
- ▶ **Anaconda–Ericsson Inc.'s Anaconda–Ericsson Finance and Leasing Inc.;**
- ▶ **Corona Data Systems "OEM Private Label Division";**
- ▶ **GOOGLE's Gmail, Google News, Orkut, and Google AdSense;**
- ▶ **General Motors Saturn Division;**
- ▶ **PRIME Computer's "PRIME Leasing;"**
- ▶ **3M's "Post-It Notes" as well as 3M multilayer optical film technology, 3M's Vikuiti™ and 3M Scotch® Pop-Up Tape.;**
- ▶ **SONY's hugely successful "PlayStation;"**
- ▶ **WL Gore's "Elixir Guitar Sting Line."**

Prof S P Garg ; corporate
intrapreneurship



Types of Entrepreneurs



Types of Entrepreneurs:

1. *The individual entrepreneur*: owns his own independent organization.

2. *Intrapreneur*: does entrepreneurial work within large organization

– *Intrapreneurship* is the practice of using entrepreneurial skills without taking off the risks or accountability associated with entrepreneurial activities.

❖ *Employee Intrapreneur*:

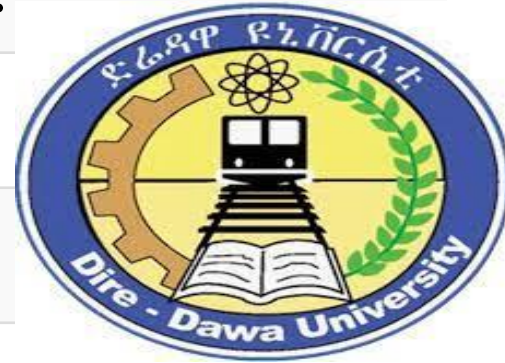
❖ *Self-employed Intrapreneur*

3. *The Entrepreneurial organization/Corporate entrepreneurship/*

– create an internal environment in which all of its members can be motivated to contribute in some way to the entrepreneurial function.

ENTREPRENEUR VS. INTRAPRENEUR

BASIS FOR COMPARISON	ENTREPRENEUR	INTRAPRENEUR
Meaning	Entrepreneur refers to a person who set up his own business with a new idea or concept.	Intrapreneur refers to an employee of the organization who is in charge of undertaking innovations in product, service, process etc.
Approach	Intuitive	Restorative
Resources	Uses own resources.	Use resources provided by the company.
Capital	Raised by him.	Financed by the company.
Enterprise	Newly established	An existing one
Dependency	Independent	Dependent
Risk	Borne by the entrepreneur himself.	Taken by the company.
Works for	Creating a leading position in the market.	Change and renew the existing organizational system and culture.





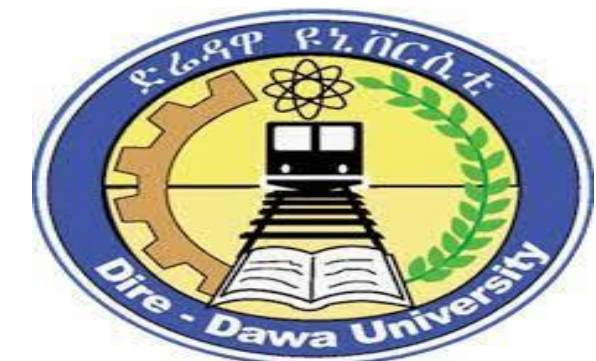
ENTREPRENEUR vs MANAGER

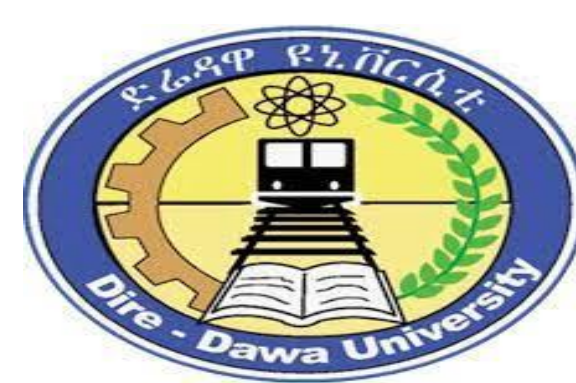
BASIS FOR COMPARISON	ENTREPRENEUR	MANAGER
Meaning	Entrepreneur refers to a person who creates an enterprise, by taking financial risk in order to get profit.	Manager is an individual who takes the responsibility of controlling and administering the organization.
Focus	Business startup	Ongoing operations
Primary motivation	Achievement	Power
Approach to task	Informal	Formal
Status	Owner	Employee
Reward	Profit	Salary
Decision making	Intuitive	Calculative
Driving force	Creativity and Innovation	Preserving status quo
Risk orientation	Risk taker	Risk averse

BUSINESSMAN VS ENTREPRENEUR

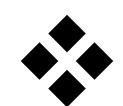


BASIS FOR COMPARISON	BUSINESSMAN	ENTREPRENEUR
Meaning	A businessman is someone who sets up a business with an existing idea offering products and services to the customers.	An entrepreneur is a person who starts an enterprise with a new idea or concept, undertaking commercial activities.
Market Position	Market Player	Market Leader
Nature	Calculative	Intuitive
Market	Creates place in existing markets	Creates new market
Risk factor	Less	Comparatively high
Methods applied for doing things	Conventional	Unconventional
Approach	Holistic	Atomistic
Orientation	Profit	People
Competition	Very high	Low





• Which one is your area of interest after graduation ?



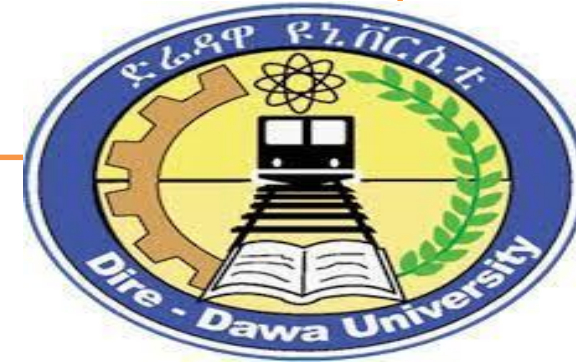
Employee Entrapreneur

or



Self-employed Entrapreneur

• WHY?



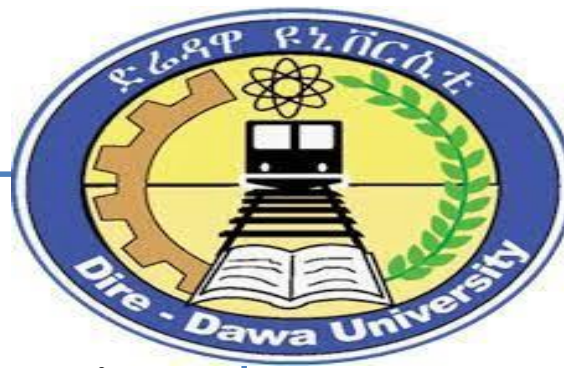


Discussion

❖ Is an entrepreneurs are same in developing and developed countries? Why?



Cont.....

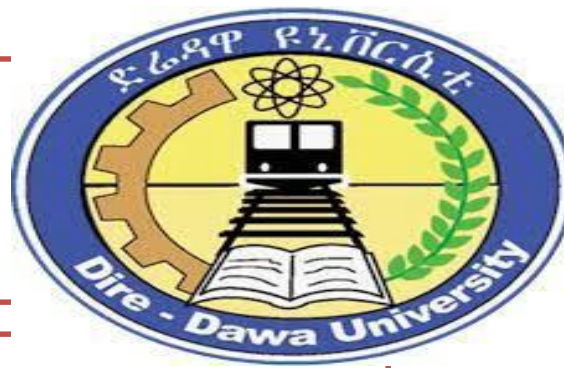


- ❖ Entrepreneurs have different approaches in developed and developing countries.
- ❖ Entrepreneurs in developing countries is **not expected to be innovators but need to be imitators.**

Because

- ❖ private capital is shy,
 - ❖ skill and technological knowledge is highly deficient
- and**
- ❖ socio economic infrastructure do not have many innovators, such countries need 'imitators' who can implement the innovations made in developed countries.

Types of Entrepreneurs



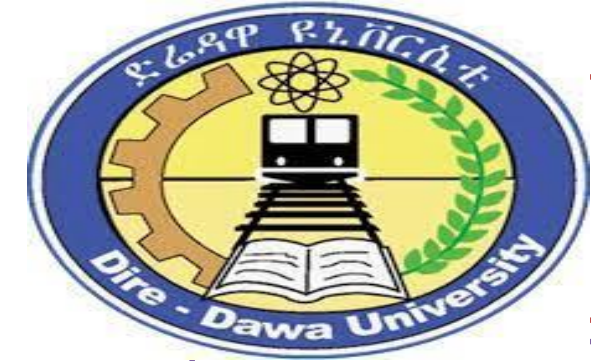
1. Innovating entrepreneurs

- ❖ aggressive assemblage of information & the analysis of results derived from sound combination of factors.
- ❖ introduces new goods,
- ❖ inaugurates new method of production,
- ❖ discovers new market and
- ❖ reorganizes the enterprise.

//
**THERE IS NOTHING
MORE BEAUTIFUL
THAN SOMEONE
WHO GOES OUT OF
THEIR WAY TO MAKE
LIFE *BEAUTIFUL* FOR
OTHERS.**

- MANDY HALE





2. Adaptive or imitative entrepreneurs

- ❖ Readiness to adopt successful innovations
- ❖ Do not innovate the changes themselves, they only imitate techniques and technology innovated by others.
- ❖ Practically suitable for the developing countries
- ❖ Bringing a mushroom drive of imitation of new combinations of factors of production already available in developed regions.
- ❖ Imitative entrepreneurs face **lesser risks and uncertainty than innovative entrepreneurs.**



3. Fabian entrepreneurs

- ❖ Very cautious and skeptical while practicing any change.
- ❖ Have neither the will to introduce new changes nor the desire to adopt new methods
- ❖ Imitate only when it becomes perfectly clear that failure to do so would result in a loss of the relative position in the enterprise.
- ❖ Are lazy and shy
- ❖ Their dealing are determined or dominated more by customs, religion, and past practices.
- ❖ Not much interested in taking risk and try to follow the footsteps of their predecessors.



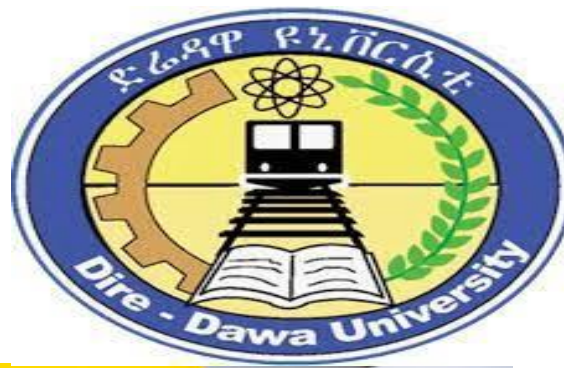
4. Drone entrepreneurs

- ❖ refusal to adopt and use opportunities to make changes in production formula
- ❖ May even suffer losses but they are not ready to make changes in their existing production methods.
- ❖ struggle to exist, not to grow.
- ❖ straggler as they continue to operate in their traditional way and resist changes.
- ❖ blind follow traditional methods of production even when it causes loss to him.

3. **Samrawit Fikru**. was a computer programmer and software developer who often found herself staying late at the office. When she went to get a taxi, it took forever to find one late at night and the drivers would charge double the day time rates.

On top of this, she did not feel safe getting into a taxi with a driver she did not know.

- At the age of 22, having identified the gap in the market, she took \$2,000 of **her own savings** and started **Hybrid Design, a software and applications developing company** and introduced **RIDE**, a transport and booking platform in Ethiopia that is phone-based just like **Uber**. **RIDE** started as an **SMS-focused** request in **2014**.



What You Need to Become an Entrepreneur



Qualities like passion, tenacity, vision, and self-confidence



A great idea that people will pay money for



A plan of success



Consistent execution of the plan



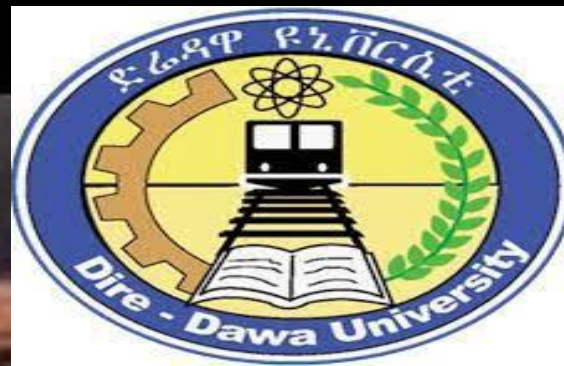
Business Woman of the Year



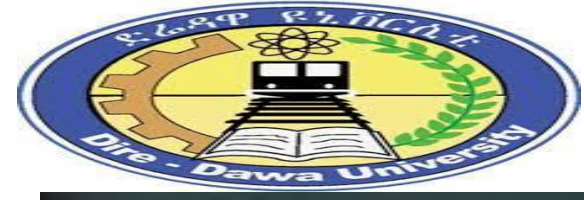
- ## 2. Bethlehem Tilahun owner of sole Rebels
- ❖ in 2005 after graduating **from Unity University**, a private university in Addis, she convinced her grandmother to let her open a workshop on her land.
 - ❖ From a **small space** she **began creating footwear** based on *traditional Ethiopian* footwear.
 - ❖ She has managed to bridge the African/West divide by combining local products including recycled tire soles (her trademark) and locally sourced fibers with more **western style designs**.



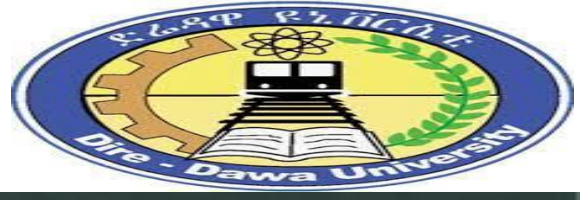
Biruke Tekeste



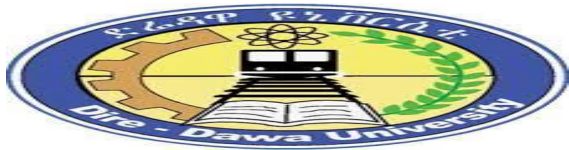
Is **founder of Hope Entertainment**, Hope is an entertainment production house focusing on Ethiopian music and film. With more than 950 Ethiopian music video uploads , 350 thousand subscribers and 357 million views Biruk has now posted as the number you tube channel in east Africa.



MARK ZUCKERBERG



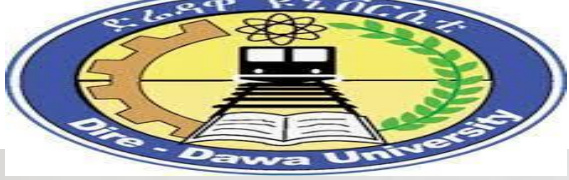
Mark Zuckerberg is an American programmer, philanthropist, and Internet entrepreneur. He is the chairman, chief executive, and co-founder of the social networking website Facebook. Together with his college roommates and fellow Harvard University students Eduardo Saverin, Andrew McCollum, Dustin Moskovitz, and Chris Hughes, he launched Facebook from Harvard's dormitory rooms.



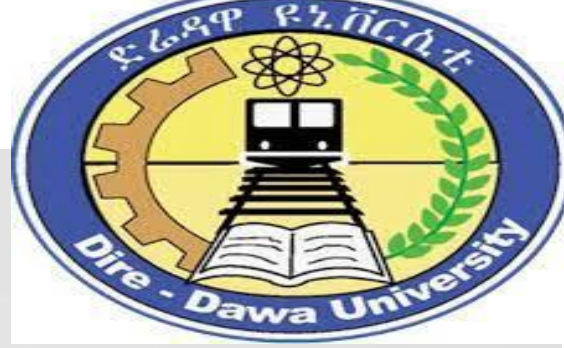
MICHAEL DELL



Michael Saul Dell is an American business magnate, investor, philanthropist, and author. He is the founder and CEO of Dell Inc., one of the world's leading sellers of personal computers (PCs).

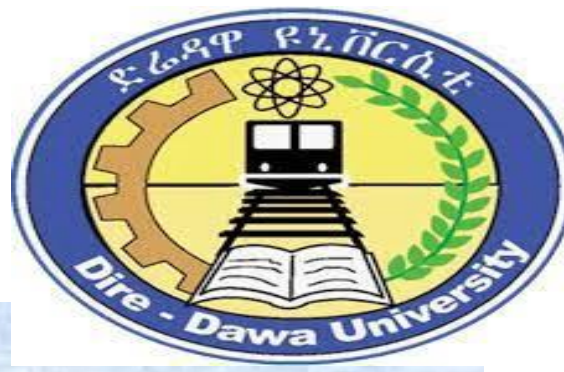


BILL GATES



Topping in the list of top 10 richest entrepreneurs in the world with a net worth of \$76 billion is Bill Gates. No doubt, he is always included in the list of top 10 successful entrepreneurs in the world. He is an American business magnate, philanthropist, entrepreneur, programmer, and investor. Gates is one of the best-known entrepreneurs of the personal computer revolution.

1.3 Role of Entrepreneurs in Economic Development



1. Improvement in per capita Income/Wealth Generation
2. Generation of Employment Opportunities
3. Inspire others Towards Entrepreneurship
4. Balanced Regional Development
5. Enhance the Number of Enterprise
6. Provide Diversity in Firms
7. Economic Independence
8. Combine Economic factors
9. Provide Market efficiency
10. Accepting Risk
11. Maximize Investor's Return

Wealth Creation
and Sharing



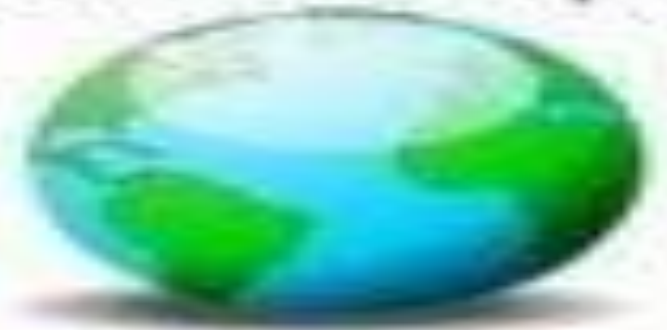
Create Jobs



Community
Development



Balanced
Regional Development



Entrepreneurship



GDP and
Per Capita Income



Standard of Living



Exports



1.4 Entrepreneurial Competence and Environment



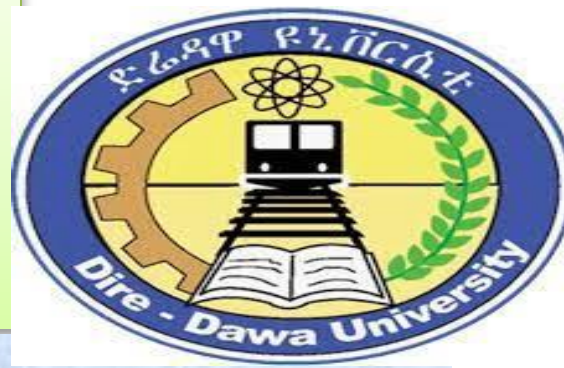
Entrepreneurial Mindset

Who Becomes an Entrepreneur?

1. The Young Professional
2. The Inventor
3. The Excluded

Entrepreneurial Mindset

I. Qualities of an Entrepreneur



- 1. Opportunity-seeking***
- 2. Persevering***
- 3. Risk Taking***
- 4. Demanding for efficiency and quality***
- 5. Information-seeking***
- 6. Goal Setting***
- 7. Planning***
- 8. Persuasion and networking***
- 9. Building self-confidence***
- 10. Listening to others***
- 11. Demonstrating leadership***

Entrepreneurial Mindset

II. Entrepreneurial Skills



I. General Management Skills:

II. Strategy Skills

III. Planning Skills

IV. Marketing Skills

V. Financial Skills

VI. Project Management Skills

VII. Time Management Skills

2. People Management Skills:

I. Communication Skills

II. Leadership Skills

III. Motivation Skills

IV. Delegation Skills

V. Negotiation Skills



Entrepreneurial Mindset

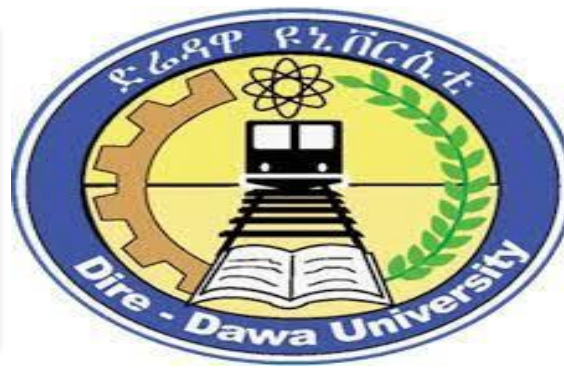
III. The Entrepreneurial Tasks



- 1. Owning Organizations***
- 2. Founding New Organizations***
- 3. Bringing Innovations to Market***
- 4. Identification of Market Opportunity***
- 5. Application of Expertise***
- 6. Provision of leadership***
- 7. The entrepreneur as manager***

Entrepreneurial Mindset

IV. Wealth of the Entrepreneur



Who benefits from the Entrepreneur's wealth?

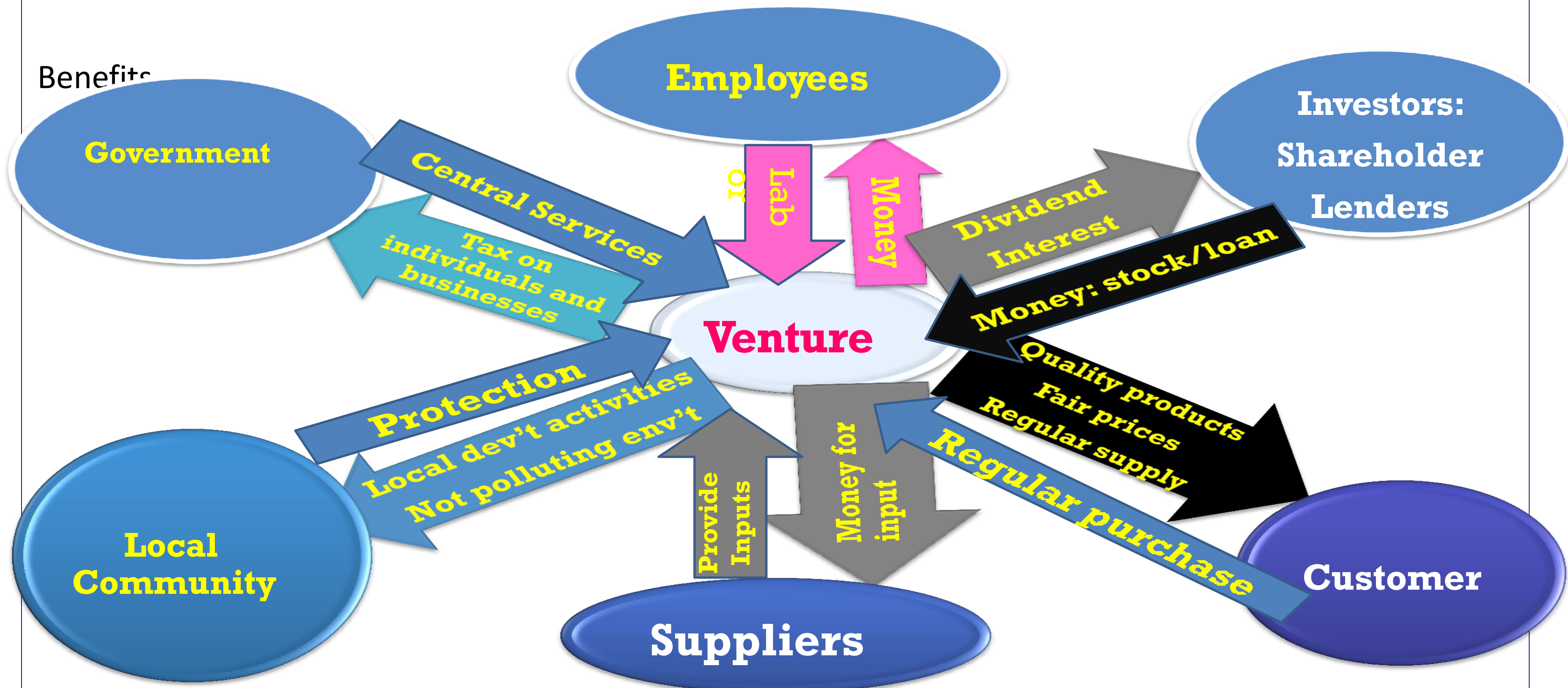
☐ **No Entrepreneur works in a vacuum: the venture they create touches the lives of many people.**

☐ **Benefiters From Entrepreneurial Wealth;**

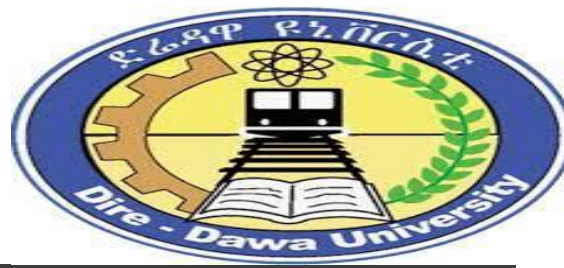
Stakeholders:

- **Employees**
- **Investors**
- **Suppliers**
- **Customers**
- **The local community**
- **Government**

Who benefits from the Entrepreneur's wealth?



1.5 Entrepreneurship and Environment



business environment

The combination of internal and external factors that influence a company's operating situation. The business ...

BD BusinessDictionary

Environmental Scanning

Internal Analysis

- Strengths
- Weaknesses

External Analysis

- Opportunities
- Threats

1.6 Phases of Business Environment



A. External Environment

- **Economic Environment**
- **Legal Environment**
- **Political Environment**
- **Socio-Cultural Environment**
- **Demographic Environment**

B. Internal Environment

- **Raw Material**
- **Production/Operation**
- **Finance**
- **Human Resource**

1.7 Creativity, Innovation and Entrepreneurship



Creativity

□ the ability/process to develop new ideas and to discover new ways of looking at problems and opportunities.

Innovation

□ the ability to apply creative solutions to those problems and opportunities in order to enhance people's lives or to enrich society

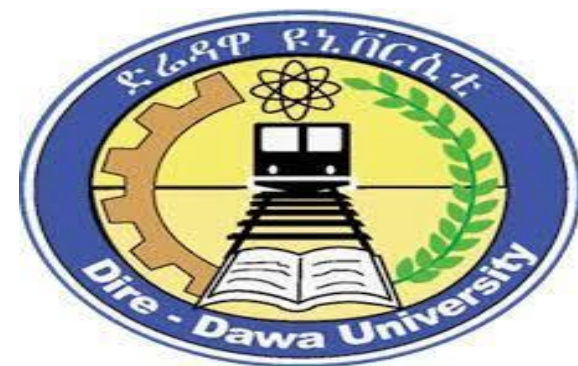
Entrepreneurship = Creativity + Innovation

CREATIVITY VS INNOVATION

Creativity
Vs
Innovation



While Creativity is related to 'imagination', but innovation is related to 'implementation'.



BASIS FOR COMPARISON	CREATIVITY	INNOVATION
Meaning	Creativity is an act of creating new ideas, imaginations and possibilities.	Innovation is the introduction of something new and effective into the market.
Process	Imaginative	Productive
Quantifiable	No	Yes
Related to	Thinking something new	Introducing something new
Money Consumption	No	Yes
Risk	No	Yes

1.7.1 Creativity



Creativity

Thinking new things



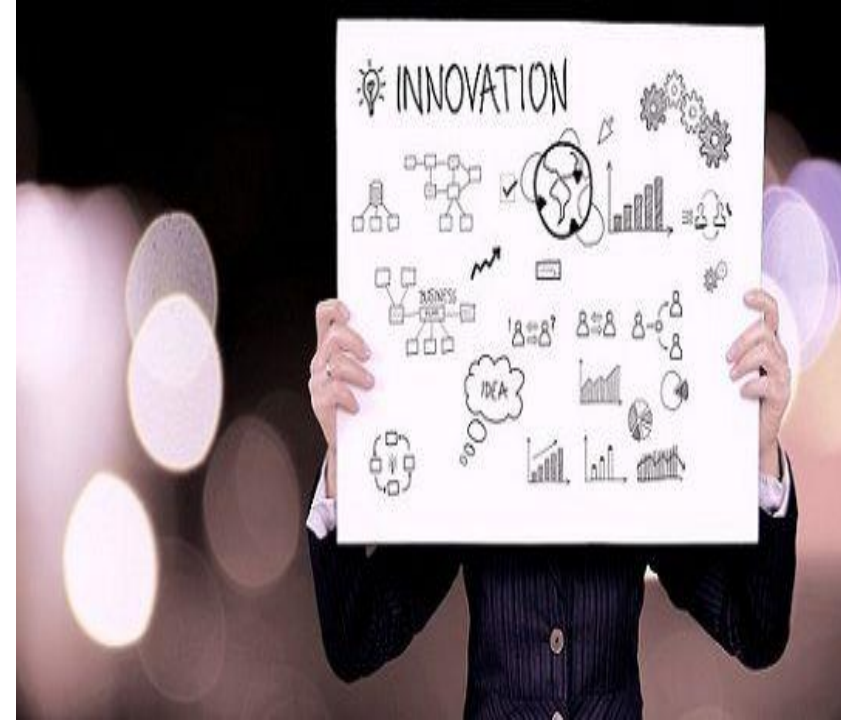
Innovation

Doing new things



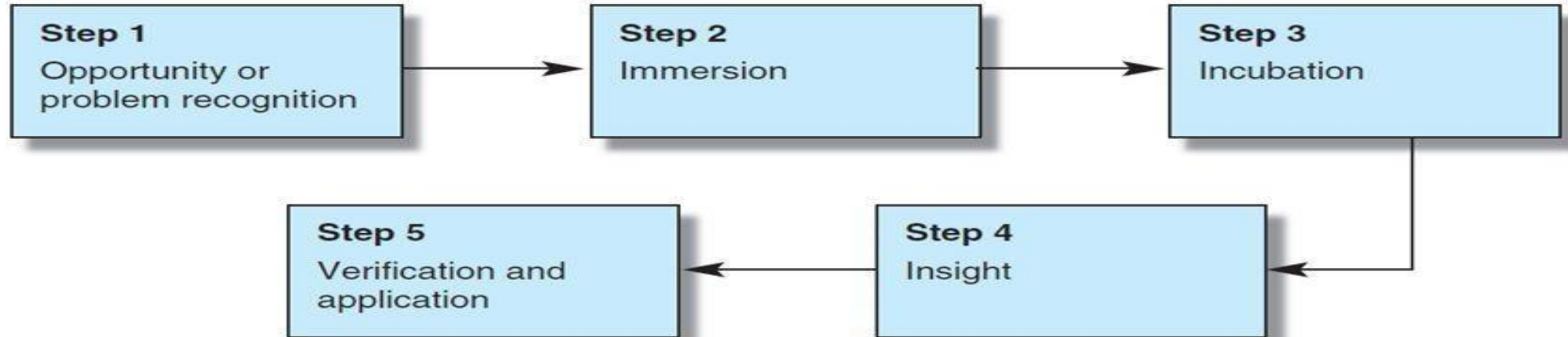
Entrepreneurship

Creating value in the marketplace



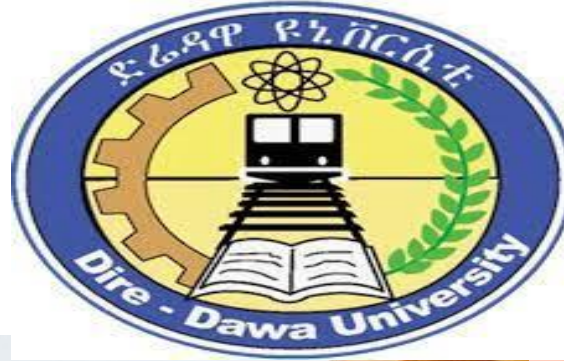
BASIS FOR COMPARISON	INVENTION	INNOVATION
Meaning	Invention refers to the occurrence of an idea for a product or process that has never been made before.	Innovation implies the implementation of idea for product or process for the very first time.
What is it?	Creation of a new product.	Adding value to something already existing.
Concept	An original idea and its working in theory.	Practical implementation of new idea.
Skills required	Scientific skills	Set of marketing, technical and strategic skills.
Occurs when	New idea strikes a scientist.	A need is felt for a product or improvement in existing product.
Concerned with	Single product or process.	Combination of various products and process.
Activities	Limited to R & D department.	Spread across the organization.

Figure 11-1 Steps in the Creative Process

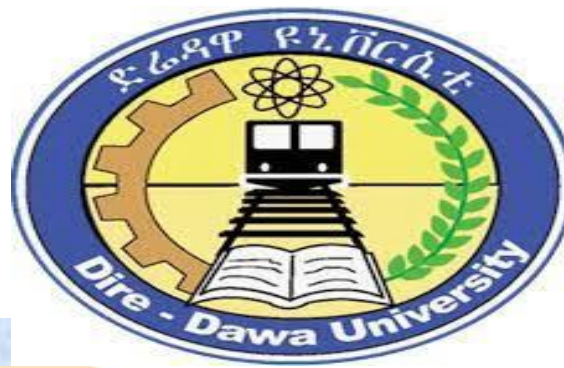


1.7.1.1 Steps in the Creative Process

- **Step1: Opportunity or problem Recognition:** A person discovers that a new opportunity exists or a problem needs resolution.
- **Step2: Immersion:** the individual concentrates on the problem and becomes immersed in it. He or she will recall and collect information that seems relevant, dreaming up alternatives without refining or evaluating them.
- **Step 3: Incubation:** the person keeps the assembled information in mind for a while. He or she does not appear to be working on the problem actively; however, the subconscious mind is still engaged.
- **Step 4: Insight:** the problem-conquering solution flashes into the person's mind at an unexpected time, such as on the verge of sleep, during a shower, or while running. Insight is also called the Aha! Experience.
- **Step 5: Verification and Application:** the individual sets out to prove that the creative solution has merit. Verification procedures include gathering supporting evidence, using logical persuasion, and experimenting with new ideas.



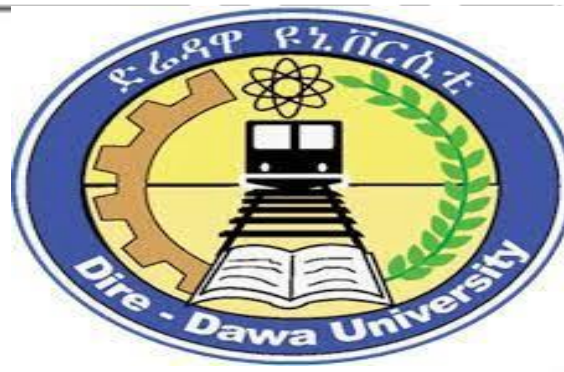
1.7.1 Creativity (Continued...)



BARRIERS TO CREATIVITY

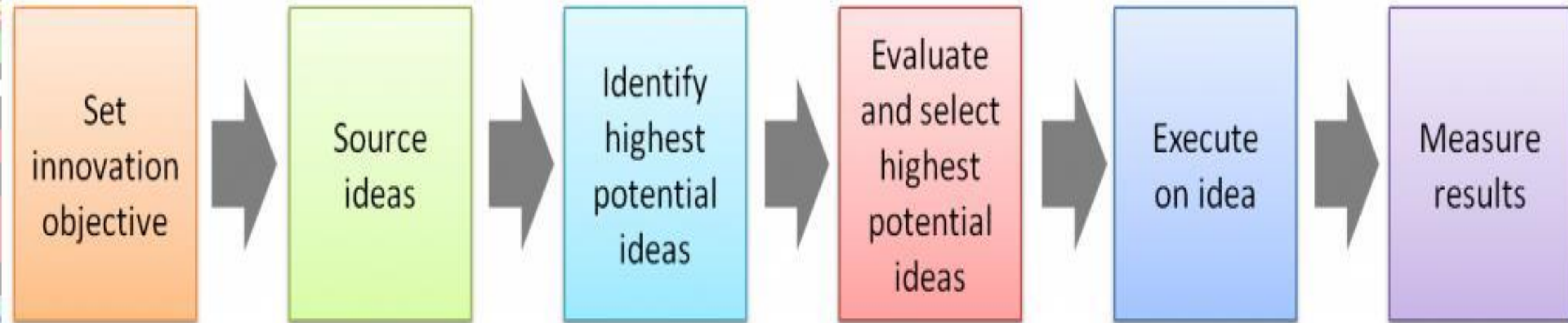
1. Searching for the one **„right answer**
2. Focusing on **being logical**
3. **Blindly** following the **rules**
4. Constantly being **practical**
5. Viewing **play** as frivolous
6. Becoming overly **specialized**
7. Avoiding **ambiguity**
8. Fearing looking **foolish**
9. Fearing **mistakes and failure**
10. Believing that Iam not creative‘



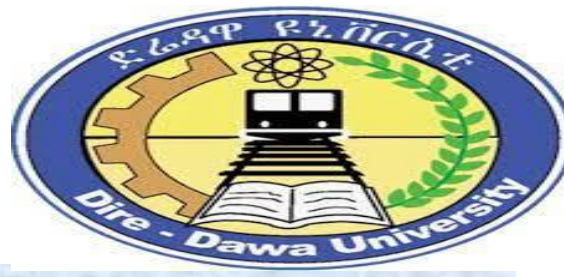


The Innovation Process

Employee-Driven Innovation

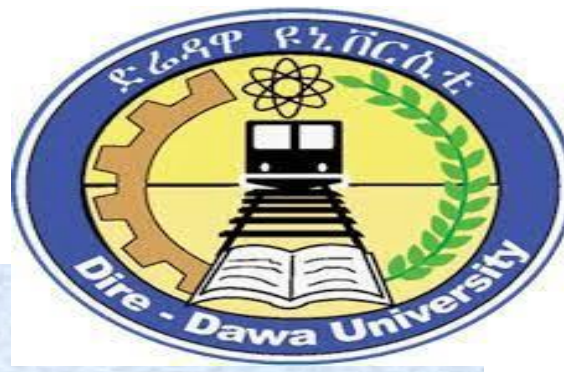


1.7.2 The Innovation Process



- 1. Analytical planning:** carefully identifying the product or service features, design as well as the resources that will be needed.
- 2. Resources organization:** obtaining the required resources, materials, technology, human or capital resources
- 3. Implementation:** applying the resources in order to accomplish the plans
- 4. Commercial application:** the provision of values to customers, reward employees and satisfy the stakeholders.

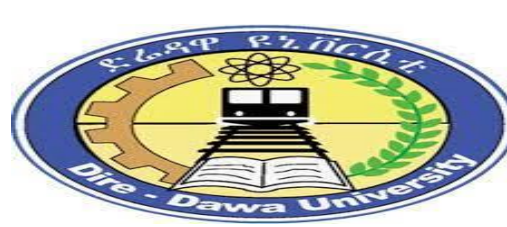
1.7.3 Areas of Innovation (*Continued*)



- ❑ **New means of informing the customer about the product**
(new advertising system): message and means
- ❑ **New means of managing relationship within the organization** (new internal relationship management system): internal communication channels.
- ❑ **New ways of managing relationships between organizations**
(new external relationship management system)

Principles Of Innovation:

- ❑ **Action-oriented**: constant search for new ideas
- ❑ **Simple and understandable** product, process or service



ENTREPRENEURSHIP
ISN'T A JOB

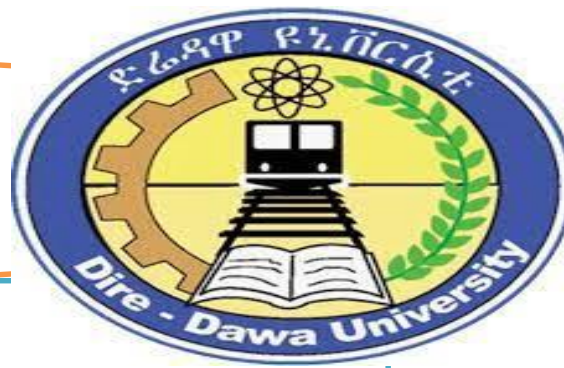
ENTREPRENEURSHIP
IS A MINDSET.

@gaf





Management Tips



❖ Challenging the myths about entrepreneurs

- **Entrepreneurs are born, not made.**

Not true! Talent gained and enhanced by experience is a foundation for entrepreneurial success.

- **Entrepreneurs are gamblers.**

Not true! Entrepreneurs are risk takers, but the risks are informed and calculated.

- **Money is the key to entrepreneurial success.**

Not true! Money is no guarantee of success. There's a lot more to it than that; many entrepreneurs start with very little.

- **You have to be young to be an entrepreneur.**

Not true! Age is no barrier to entrepreneurship; with age often come experience, contacts, and other useful resources.

- **You have to have a degree in business to be an entrepreneur.**

Not true! But, it helps to study and understand business fundamentals.