


THE ENTREPRENEURIAL AND INTRAPRENEURIAL MIND

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WHAT IS ENTREPRENEURSHIP


- Entrepreneurship is all about identifying a business opportunity which other may see as Chaos.



ENTREPRENEUR




An individual who, rather than working as an employee, runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale.

The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes.



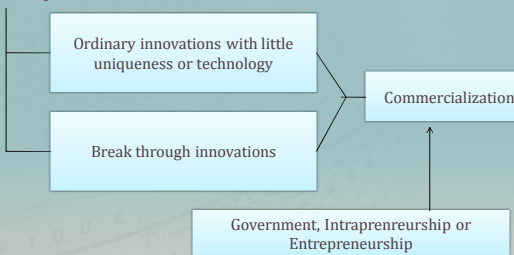
ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT

- The role of entrepreneurship in economic development involves more than just increasing per capita output and income; it involves initiating constituting change in the structure of the business and the society.
- In this process **Innovation** is the key.
- In the process of economic development, the degree of **commercialization** is also important.

ROLE OF ENTREPRENEURSHIP IN ECONOMIC DEVELOPMENT *contd...*

- The innovation can be of varying degrees of uniqueness.



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graph LR
    A[Ordinary innovations with little uniqueness or technology] --> C[Commercialization]
    B[Break through innovations] --> C
    D[Government, Intrapreneurship or Entrepreneurship] --> C
    
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THE ENTREPRENEURIAL PROCESS

- The process of starting a new venture is embodied in the *entrepreneurial process* which involves more than just problem solving in a typical management position.

1. Identification and evaluation of the opportunity
2. Development of the business plan
3. Determination of the required resources
4. Management of the resulting enterprise

1. IDENTIFY AND EVALUATE THE OPPORTUNITY

- Opportunity identification is a very difficult task. 😊
- Entrepreneur's alertness is important.
- *Example: one entrepreneur asks at every cocktail party whether anyone for a need and an opportunity to create a better product.*
- *Example: another entrepreneur always monitors the play habits and toys of her nieces and nephews.*

ENTREPRENEURS: IMAGINATION AND CREATIVITY

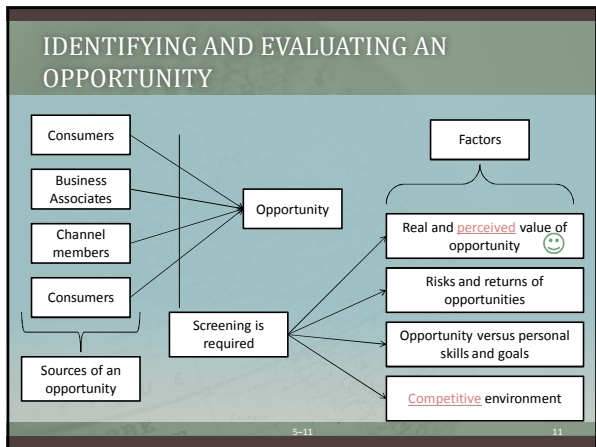
- A blend of imaginative and creative thinking with a systematic, logical process ability;
 - What is the problem? Rising oil prices.
 - Whom does it affect? Consumers
 - Can it be solved? Yes, By means of a creative and imaginative thinking.

OPPORTUNITY IDENTIFICATION: THE SEARCH FOR NEW IDEAS

- Opportunity identification is central to entrepreneurship and involves:
 - The creative pursuit of ideas
 - The innovation process
- The first step for any entrepreneur is the identification of a "good idea." 😊
 - The search for good ideas is never easy.
 - Opportunity recognition can lead to both personal and societal wealth.

ENTREPRENEURIAL IMAGINATION AND CREATIVITY

- How entrepreneurs do what they do:
 - Creative thinking + systematic analysis = success
 - Seek out unique opportunities to fill needs and wants
 - Turn problems into opportunities

2. DEVELOPMENT OF THE BUSINESS PLAN

- Business plan: the description of the future direction of the business.
- A good business plan must be developed in order to exploit the defined opportunity.
- Steps of a business plan
 - Title page
 - Table of contents
 - Executive summary

– Major sections

- Description of the business
- Description of the industry
- Technology plan
- Marketing plan
- Financial plan
- Production plan
- Organization plan
- Operational plan
- Summary

3. DETERMINATION OF THE REQUIRED RESOURCES

- The resources needed for addressing the opportunity must also be determined. 😊
- The process starts with an appraisal of the entrepreneur's current resources.

4. MANAGEMENT OF THE RESULTING ENTERPRISE

- After the resources are acquired, the entrepreneur must use them to implement the business plan.
- Operational problems must also be addressed.

MANAGERIAL VERSUS ENTREPRENEURIAL DECISION MAKING

- The difference between the entrepreneurial and the managerial styles can be viewed from five key business dimensions.
 - Strategic orientation
 - Commitment to opportunity
 - Commitment of resources
 - Control of resources
 - Managerial Success

} Administrative domains

MANAGERIAL VERSUS ENTREPRENEURIAL DECISION MAKING *contd.*

- Strategic orientation 😊
 - The entrepreneurs strategic orientation.
 - The entrepreneurs strategic orientation depends on his or her perception of the opportunity.
 - Strategic orientation is important when other opportunities have diminishing returns.

MANAGERIAL VERSUS ENTREPRENEURIAL DECISION MAKING *contd.*

- Commitment to opportunity.
- Commitment of resources.
- Control of resources.
- Management structure.

INTRAPRENEURSHIP

- ### INTRAPRENEURSHIP
- Entrepreneurship within an existing organization.
 - Existing business have the financial resources, business skills, marketing plan, distribution channels. Yet **bureaucratic** and rigid power based culture prevent new ideas and innovations.
 - Today, **hypercompetitioin** put pressure on companies to establish intrapreneurial spirit in their organizations.

- ### POSITIVE DIFFERENCES BETWEEN ENTREPRENEUR VS INTRAPRENEUR
- Funding
 - company/organization often has capital to fund the project
 - Manpower
 - intrapreneurs do not have to worry about finding the talent to get tasks performed
 - Branding 😊
 - intrapreneurs can use the branding of the company/organization to get their ideas to take root

- ### CAUSES FOR INTEREST IN INTRAPRENEURSHIP
- Increased competition among different companies.
 - Individuals who believe in their own talents frequently desire to create something new.
 - Intrapreneurship is method of stimulating, and then capitalizing on individuals in an organization who think that something can be done differently and in a better way.
 - 😊😊😊

CORPORATE VERSUS INTRAPRENEURIAL CULTURE

<p>Corporate Culture</p> <ul style="list-style-type: none"> • The environment of Particular organization • It says do not take initiatives, don't make mistakes, don't fail, but wait for instructions and protect you backside. • Not conducive, creative, flexible, independent and risk taking. 😊 	<p>Intrapreneurial Culture</p> <ul style="list-style-type: none"> • The environment of an entrepreneurial-oriented organization • It focuses on developing vision, goals, action plans, suggest, try, experiment and to take responsibility and ownership. • To be rewarded on the basis of action plan.
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- ### CLIMATE FOR INTRAPRENEURSHIP
- New ideas encouragement
 - Trial and error encouraged
 - Failures Allowed
 - Resource available and accessible
 - Multidiscipline teamwork approach
 - No opportunity barriers
 - Volunteer programs
 - Appropriate reward system
 - Support from Top management.

INTRAPRENEURIAL LEADERSHIP CHARACTERISTICS

- Understands the environment
- Visionary and flexible
- Creates management options (create alternatives) (give dream and make all part of it)
- Encourage Teamwork
- Encourage open discussion
- Builds a coalition (alliance) of supporters (A good intrapreneur makes everyone HERO)

ESTABLISHING INTRAPRENEURSHIP IN AN ORGANIZATION

- Gaining Commitment of top, middle and line management. Once the top management committed to intrapreneurship it will spread throughout the organization.
- Ideas and general areas that top management are interested in should be identified. Also, overall program expectations and target results should be established.

ESTABLISHING INTRAPRENEURSHIP IN AN ORGANIZATION

- Thirdly, technological revolution is necessary. 😊
- Organization should gather group of interested managers to train employees for this process.
- Fifth, organization should find ways to get closer to its customer.
- Sixth, organization needs to be more productive with less resources.

ESTABLISHING INTRAPRENEURSHIP IN AN ORGANIZATION

- Organization needs to establish strong support culture for Intrapreneurship. To be successful, this procedure requires flexible, innovative behavior with total authority over expenditure and access to sufficient funds.
- Performance should be tied up with sufficient rewards.
- Finally, organizations need to implement an evaluation system for monitoring the whole process.

WHY SHOULD ORGANIZATIONS EMBRACE INTRAPRENEURS?

INNOVATION

- To create and bring into use profitable new products, processes, services, and ways of doing business.
 - Creation of new or alternative products
 - Opening of a new market
 - Capture of new sources of supply

INTRAPRENEURIAL ACTIVITY

- Spotting ways to improve service
- Save time, money, or make life easier
- Visualizing variations of current products / services
- Realizing new communication avenues with customers
- Enhancing the quality
- New ways to get the job done quicker or smarter

HOW DOES BUSINESS BENEFIT?

- Firms create competitive advantages by discovering new and better ways to compete in an industry and bringing them to market
- An enterprise that does not daily innovate inevitably ages and declines
- Even in a successful business the disease of bureaucracy and complacency is dangerous

HOW DO INTRAPRENEURS BENEFIT?

- Flexibility
- Less restrictions but supportive environment
- Recognition
- Their ideas are vehicles towards advancement
- Increased value to organization - increased PAYCHECK

IMPLEMENTING THE INTRAPRENEURSHIP CULTURE

- Encourage employees to be creative and to look for new ways to improve your current way of doing business
- Grant intrapreneurs something akin to ownership rights in the internal intraprisers they create
- Encourage company wide involvement by insisting on truth and honesty in marketing and marketplace feedback

IMPLEMENTING THE INTRAPRENEURSHIP CULTURE

- Treat intrapreneurial teams as profit centers rather than as cost centers
- Allow team members a variety of options in jobs, in innovation efforts, alliances, and exchanges
- Encourage employees to develop through training programs

- Kuratko, D. F. and Hodgetts, R. M., (2004), *Entrepreneurship: Theory, Process and Practice*. 6thed. Thomson, South-Western.
- Hisrich, R., Peters, M., & Shepherd, D. (2006). *Entrepreneurship*. 6th ed. McGraw Hill.