

Principles of Innovation and Entrepreneurship -ENTR 3000 Professor Jack M. Wilson

Review summary sheet for Exam 1 –Chapters 1-6 & 16 and online material

For cases and materials listed below be sure you know the definitions and the key examples.

Cases:

- ILINC LearnLinc
- Harish Hande-Solar Electric Corporation
- Muhammad Yunus
- Mother Teresa
- Uber
- ZipCar
- Champ-MacNeillUSA
- NetFlix

Ch. 1-Intro. to Entrepreneurship/Entrepreneurs – The Innovation Imperative

Why does Innovation and Entrepreneurship Matter? 1. Address problems and create economic and social opportunity. 2. Avoid failure 3. Succeed greatly 4. Regional economic development. 5. Jobs, cures, community interactions.

Schumpeter- Creative Destruction

Clayton Christenson: Disruptive Innovation, Disruptive Technology, Creative disruption
Digital, Wang, Data General, etc.

Define Entrepreneurship (Schumpeter, Drucker, Timmons)

Types of Innovation: Product, Process, Position, Business Model Innovation (Paradigm)

Disintermediation and Mass Customization as Innovation.

Radical versus Incremental and examples of each

Invention is not (necessarily) Innovation

Ken Olsen, Digital, felt that home computers would never happen.

Corporate Entrepreneurship, Social Entrepreneurship

Models of Innovation and Entrepreneurship: Causal, Effectual, LeanLaunchpad, Steve Blank –
know a bit about each.

Characteristics of the Entrepreneur, Myths of Entrepreneurship

Passion, Product focus, Tenacity despite failure, Execution Intelligence

Ch. 2-Types of Entrepreneurship and Social Entrepreneurship

Entrepreneurial Firms, Lifestyle Firms, Salary Substitute Firms

Types of Exit Strategies

Technological Entrepreneurship, Small Business Entrepreneurship, Corporate Entrepreneurship, Social Entrepreneurship.

Examples of Corporations that failed due to failure to innovate and those that succeeded due to innovation.

Social Entrepreneurs: mission driven but can be either non-profit or for-profit. Give examples. No margin -no mission.

Triple Bottom Line: 1. Social, 2. Environmental, 3. Financial

Motivations: 1. Govt/Community Pressure/Regulation, 2. Aligning Corporate Values, 3. Learning Lab.

Types of motivations: Darwinians, Communitarians, Missionaries

Challenges of the Social Enterprise: Resources, Stakeholders with diverse needs, volunteer coordination, funding flow, huge nearly unsolvable problems.

Ch. 3 –Intro to Business Models Chapter 16 in Text

How a company uses its resources, structures its relationships, interfaces with customers, creates value, and returns revenues and profits. Looking at the business model tells you how a company can become self-sustaining

Uber as an example. Compare Uber to Taxis in regard to Business Model.

Dell as an example: compare Dell to previous computer manufacturers.

Core Logic –articulates the mission and business model

1. Value proposition, 2. Target Market; 3. Suppliers, 4. Activities, 5. Kind and how much value created.

Fatal Flaws 1. Misread of customer 2. Window of Opportunity –timing 3. Utterly unsound economics

Disruptive Innovation: Examples

Business concept blind spot. Examples Digital, Wang; Kodak, Polaroid,

Product/market Scope

The Business Model Canvas

The Pivot

Chapter 3 Globalization

Why study global entrepreneurship? Large fast growing markets; new communication, regulation, and transportation; worldwide consumers; living on the cutting edge; avoiding missing out.

Enablers: 1. Tech. advances 2. Free trade agreements, 3. Freer movement of people

Research Universities appear to be a great resource

Global Supply chains offer opportunities. “Flat World”

Spillovers –movement of ideas and intellectual property across borders –legal and illegal.

Cluster development –Boston, Silicon Valley, Beijing, Bangalore,

“The Bottom of the Pyramid,” large markets in less affluent regions. Tata Nano; Selco, Grameen, etc.

National Systems of Innovation –positives: large economy, foreign competition in domestic markets, public R&D, venture capital. –negatives: fragmented markets, high corporate taxes, prosperity/complacency.

Specific opportunities: natural resources, local demand, high regional prices, local skill sets

The Rise and Fall of the BRICS.

Global Sourcing; Global Supply Chain

Immigration and Emigration and Entrepreneurship

Chapter 4 Sustainability

Sustainability: 1. Business model and business execution 2. Environmentally and socially sustainable

Governments can encourage this through regulation or tax credits. Being green can sometimes reduce costs of energy, materials, or waste.

From “Cradle to grave” to “Cradle to Cradle” Don’t discard, but reuse and recycle.

Operational Optimization –Compliance to regulation and improvement in efficiency

Operational Transformation –New Business Models that are fundamentally greener.

Must: 1. Incorporate **externalities**, 2. Increase agricultural output with less input, 3. Halt deforestation and plant trees, 4. Halve Carbon Emissions from 2005, 5. Reduce energy demand

Need for responsible innovation

Chapter 5 Entrepreneurial Creativity

Five skills: Associating, questioning, observing, experimenting, networking

Divergent versus convergent thinking. Start with D and move toward C

Left (logic, language, calculation) versus Right Brain (patterns, links, emotion) thinking – creativity uses both –usually right first.

Machiavelli: creativity is often seen as dangerous by the establishment

Defeating the arguments against (see list) requires salesmanship and communication.

Sun Tsu: Know yourself and your adversary

Entrepreneurial Awareness or Alertness: Some individuals are more open to and aware of opportunities. Need a prepared mind.

Other factors : Prior Experience, Cognitive factors, social networks, creativity

Preparation, incubation, insight (Aha!), evaluation, elaboration

Idea generators and how they get to market –licensing, new ventures, etc

Crossing the Chasm.

Ideation or Brainstorming, Focus groups, internet/library research, day-in-the-life, internet idea bank

Supervisory approaches –good and bad

Chapter 6 Sources of Innovation

Forces driving innovation and entrepreneurship: 1.Economic 2. Social 3. Technological 4. Political/Regulatory -Know examples of each.

Drivers of Innovation:

- Knowledge Push – New knowledge or research suggest some new opportunities
- Need Pull – When an unfulfilled need is present and someone comes up with an idea to fill that need.
- Process Innovation – making an existing process work better
- Total quality management, business process re-engineering, Six Sigma, Lean Management, etc.
- Discovering customers at “The Base (or Bottom) of the Pyramid” as Prahalad described.
- Crisis Driven –Need pull on steroids. Zika Virus vaccine
- Mass Customization: Have it your way. Dell Computer, in 80s and 90s built PCs to order and shipped direct to customer. Converse allows customers to order personalized athletic shoes.
- User Innovation – crowd sourcing and extreme users
- Imitation –Often the first source of innovation in emerging economies.
- Recombinant Innovation –New combinations of existing things.
- Changes in regulatory and legal processes.
- Design driven innovation – Apple always focused on design even when releasing products that were not that much different than existing products.
- Pure accidents –discovery of penicillin, Post-it notes, Viagra, Teflon