**Definition: Entrepreneurship**

“The Spirit of Creative Risk Taking”

**Entrepreneurship is the act of:**

Creating **new ventures** that **generate** and **capture value** by **realizing opportunities** through **creativity**, **innovation**, **knowledge**, **skill** and **passion** while managing **resources** and **risks**.

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**The Entrepreneurial Process**

**Opportunities:**
- Problems, Unmet Needs, Hidden Desires

**Value Generation**
- Customers
- Products
- Services
- Projects
- Competition
- Resources
- Risks
- Plans

**Value Capture**
- Venture Creation
- My Core Competencies

**Impact:** My Mark
- Customers
- Products
- Services
- Projects
- Competition
- Resources
- Plans

**What do I do well?**
- What is my passion?

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**The Global Context**

- Environment
- Economy
- Society

**People, Planet & Profits**

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**Global Economic Context**

- The Ten Forces
  - Fall of Berlin Wall
  - Netscape IPO
  - Work Flow Software
  - Open-Sourcing
  - Outsourcing
  - Offshoring
  - Supply-Chaining
  - Insourcing
  - In-forming
  - The Steroids

- The Triple Convergence
  - Global Web-Enabled Playing Field
  - Horizontal Collaboration
  - 3 Billion People in the Game

Global Environmental Context

- System-Wide Stress
  - 6 to 9 Billion people
  - 2x built infrastructure
  - 50% to 70% urban
  - Coal plant per week
  - Resource depletion
  - Epidemics & disease
  - Global warming


Global Social Context

- Top of the Pyramid
  - North
  - White
  - Rich
  - Pop. Slowing
  - Hi-Tech
  - HPSU
- Bottom of the Pyramid
  - South
  - Non-white
  - Poor
  - Pop. Growing
  - Low-Tech
  - Appropriate Technology

Two Worlds

- 2B < $2 / day
- 1B lack water

Opportunity

- Environment
- Economy
- Society

People, Planet & Profits

Venture Creation

For-Profit, Non-profit (NGO), Governmental, "Fourth Sector" Hybrid

<table>
<thead>
<tr>
<th>Industry</th>
<th>Entity</th>
<th>Project</th>
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<tbody>
<tr>
<td>Consumer</td>
<td>Product Company</td>
<td>Single Product</td>
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<tr>
<td>Arts</td>
<td>Theatre Company</td>
<td>A Film</td>
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<td>Politics</td>
<td>Movement</td>
<td>Campaign</td>
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<td>Social Service</td>
<td>Food bank</td>
<td>An Affordable House</td>
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<tr>
<td>Architecture</td>
<td>Architectural firm</td>
<td>A Great Building</td>
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<td>Athletics</td>
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<tr>
<td>Science</td>
<td>Research Company</td>
<td>An Innovative Grant</td>
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Value Generation and Capture

Your Mark: The Triple Bottom Line

<table>
<thead>
<tr>
<th>Economic</th>
<th>Environmental</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>Energy Efficiency</td>
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<td>Income</td>
<td>Water Availability</td>
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<td>Profitability</td>
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<td>Return on Investment</td>
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<td>Stakeholder Value</td>
<td>Greenhouse Gas Reduction</td>
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<td></td>
<td>Carbon Footprint Reduction</td>
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<td>Biodiversity</td>
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SOCIAL

- Employment
- Health & Safety
- Diversity
- Education
- Arts & Culture
- Community
- Quality of Life

Core Competency

- “…fundamental knowledge, ability or expertise in a specific subject area or skill set…”
  - Whatis.com
- “…something that a firm can do well and that provides customer benefits, is hard for competitors to imitate, and can be leveraged widely to many products and markets.”
  - Hamel and Prahalad (1990):
Ideas

One of the earliest theories of creativity considers it to be a divine glow. James L. Adams in his book Conceptual Blockbusting says “However, for most of us, creativity is more of a dull glow than a divine spark. And the more fanning it receives, the brighter it will burn.” [p.10].

Creativity

Like anything else, there are those who are exceptionally creative because they have a special talent—the da Vinci’s, the "born teachers", those who don’t need business plans.

For most of us, however, excellence requires sense of vocation, dedication, discipline and hard work.

No secret to success will work unless you do.

Innovation

• “The application of knowledge in a novel way…”
  – Innovation: Transforming the way business creates, An Economist Intelligence Unit White Paper

• “The introduction of something new”
  – Dictionary.com

• The primary mechanism by which economic growth is created through “Creative Destruction”
  – Schumpeter, 1934

Competitive Advantage

Why will you do better than your competitors?

Competitors
• Direct
• New Entrants
• Substitutes
• Do Nothing

Elements of Advantage
• Cost
• Differentiation
• Quality
• Brand Loyalty
• Customer Relationships
• Other Relationships
• Market Presence

Resources & Risks

Resources
• Money
• People
• Time
• Social Network
• Technology
• Plant & Equipment
• Facilities

Risks
• Market
• Strategy
• Plan Risk
• Execution
• Financial
• Technology

A Poetic Approach to Entrepreneurship

I. VISION - Alice’s Adventures in Wonderland, Lewis Carroll
II. PLANNING - Just-So Stories, Rudyard Kipling
III. PERSISTENCE - The Men That Don’t Fit In, Robert W. Service
Vision
Where do we want to be?

“Would you tell me, please, which way I ought to go from here?”

“That depends a good deal on where you want to get to,” said the Cat.

“I don’t much care where,” said Alice.

“Then it doesn’t matter which way you go,” said the Cat.

From Chapter VI Pig and Pepper, Alice’s Adventures in Wonderland, Lewis Carroll

Planning
All of the Questions!

I keep six honest serving-men
(They taught me all I knew);
Their names are What and Why and When
And How and Where and Who.

From Just-So Stories, Rudyard Kipling

An intelligent plan is the first step to success.
The man who plans knows where he is going,
knows what progress he is making and
has a pretty good idea when he will arrive.”

Basil S. Walsh quote

Work consistently to achieve your Plan: “…Many business visionaries have failed as leaders because they could not execute. Processes and systems, discipline and efficiency are needed to create a foundation before creative ideas can be implemented and entrepreneurial vision can be realized.” – Howard Schultz, Chairman, Starbucks

Value of the Plan

- Communication vehicle
- Commitment to Perform
- Tool for calculating risks
- Yard stick for measuring and evaluating progress
- Budget as a means to achieve the plan—money is a result of doing something well and of doing something good (ethics)

How do you get there?

• Should you always persist and never give up? Sometimes you need to reevaluate. If your plan is not still on track then maybe you need to update the plan. Are your goals, related to your plan, still the same?

• Bill Gates and Paul Allen started two companies, the first was called Traf-O-Data and the second Microsoft. If you haven’t heard of Traf-O-Data you can find out about it here. Gates and Allen started it as teenagers, ran it for several years, made a few dollars, and then it failed. They profited from the experience and did significantly better with Microsoft.

• Persistence and stubbornness are two different things. As long as your vision is consistent, persist in your actions. Vision, persistence and consistency of action should produce consistency of results.

How do you get there?

• “There’s a race of men that don’t fit in, A race that can’t stay still; So they break the hearts of kith and kin, And they roam the world at will…..

And each forgets, as he strips and runs
With a brilliant, fitful pace,
It’s the steady, quiet, plodding ones
Who win in the lifelong race…..

He has failed, he has failed; he has missed his chance;
He has just done things by half.
Life’s been a jolly good joke on him,
And now it is the time to laugh.
Ha, ha! He is one of the Legion Lost;
He was never meant to win;
He’s a rolling stone, and it’s bred in the bone;
He’s a man who won’t fit in.

From The Men That Don’t Fit In by Robert Service
Four Routes to **Success**

- Achieving
- Selling
- Managing
- Idea generating


**Entrepreneurial Challenge**

- Developing and refining your idea
- Getting others to “buy in”
- Implementing
- Working hard
- Persevering...
- Persevering...
- Persevering...
- Getting the results you want!

**What can you expect?**

- Exhilaration
- Terror
- Exhaustion
- Despair and sense of loss

*Source: E-Myth, Gerber*

**Entrepreneurs**

- Persevere
- Have self-confidence
- Are passionate
- Are willing to take reasonable risks
- Can tolerate ambiguity
- Are open to new experiences
- Are competitive
- Are hard working, high energy, disciplined
- Are realistic and optimistic

**Business Entrepreneurs**

- Henry Ford, founder of the Ford Motor Company and creator of the first assembly line
- Tony Hawk, Professional Skateboarder, founded Birdhouse Skateboards and Hawk Clothing (sold to “Quicksilver”)
- Lillian Vernon, catalog retailer (first woman-owner enterprise to be traded on the American Exchange)
- Richard Branson, founder of Virgin companies
- Mary Kay Ash, founder of Mary Kay cosmetics
- Bill Gates, the world’s richest man and co-founder of Microsoft
- Steve Jobs, co-founder of Apple computers
- Madame C.J. Walker, first self-made African American millionaire

*Partially based on list in Famous Entrepreneurs at [_http://entrepreneurs.about.com/od/famousentrepreneurs/Famous_Entrepreneurs.htm_]*

**It’s not Just about Business and Money!**

- In other fields, entrepreneurship does not involve creating individual profit, however the principles are the same:
  - Developing an innovative idea
  - A new way of doing things or seeing things
  - Getting support for the idea
  - Being able to implement the idea
  - Bringing things to fruition
Advocacy

- In many fields the principles of entrepreneurship take the form of advocacy:
  - Pleading for supporting an idea or position
  - Providing active support for an idea or action
  - Making a case
  - Taking action

Artistic Entrepreneurship

- An Artistic Entrepreneur creates artistic or aesthetic capital which “…simply brightens or enriches peoples’ lives…” – John L. Thompson
- “Every artist is an entrepreneur.” – Dr. Elliot McGucken
- “In the theatre, very much a business although not always a profitable one, all the principles of entrepreneurship come into play; knowledge, skill in techniques, courage to grasp opportunity, and the perseverance to see the enterprise through.” – ASU Professor Rick Cherwitz
- Thomas Kincaid, America’s most collected living artist
- Sir Andrew Lloyd Webber, Composer
- Russell Simmons, Co-Founder of Def Jam record label
- Oprah Winfrey, founder of a media empire and one of the richest women in the world

Political Entrepreneurship

- A political entrepreneur is a person who works towards providing something for the public in exchange for public support, votes, and public recognition*
- Someone who founds a new political movement or advocates a new idea

Social Entrepreneurs

- “Social entrepreneurs identify resources where people only see problems. They view the villagers as the solution, not the passive beneficiary. They begin with the assumption of competence and unleash resources in the communities they’re serving.”
- Muhammad Yunus (Bangladesh) - Founder of microcredit an organization that give small loans to the poor who do not qualify for regular bank loans. Winner of 2006 Nobel Peace prize
- Marian Wright Edelman (U.S.) - Founder and president of the Children’s Defense Fund (CDF) and advocate for disadvantaged Americans and children
- Susan B. Anthony (U.S.) - Fought for Women’s Rights in the United States, including the right to control property and helped spearhead adoption of the 19th amendment.


ASU Young Alumni Entrepreneurs

- Read about ASU students just like you who are on their way to the top in all fields. They all share the entrepreneurial spirit.
  http://www.asu.edu/alumni/magazine/03vo10n2/way_at_the_top.shtml

Source: ASU Magazine. Vol 10(2).

Who is an Entrepreneur in the area you are interested in?

- The arts?
- Politics?
- Social justice?
- Business?
- Architecture?
- Athletics?
- Sciences?
Entrepreneurship at ASU

- University as Entrepreneur initiative – Kauffman Foundation [http://entrepreneurship.asu.edu](http://entrepreneurship.asu.edu)

Resources for Student Ventures at ASU:

- The Edson Student Entrepreneur Initiative provides student-led teams with the resources such as office space, funding and training to start a new venture: [http://www.studentventures.asu.edu/](http://www.studentventures.asu.edu/)
- Entrepreneurial Advantage Projects provide student-led teams with early funding to assist in the development of business concepts, prototypes, non-profit concepts, art exhibitions and other student-led initiatives.[http://www.studentventures.asu.edu/](http://www.studentventures.asu.edu/)

ASU 101

Entrepreneurial courses at ASU

- Technology Venture Clinic
- Spirit of Enterprise Center
- Leadership for Educational Entrepreneurs Program
- InnovationSpace
- Entrepreneurial Advantage Projects
- The Resources for Student Ventures at ASU: University as Entrepreneur
- Skysong
- Performing Arts Venture Experience
- InnovationSpace
- Entrepreneurial Advantage Projects
- Entrepreneurial Advantage Projects

ASU 101

Entrepreneurship courses at ASU

- BIS Org Studies concentration (David Thomas) [http://www.asu.edu/duas/bis/org_studies/](http://www.asu.edu/duas/bis/org_studies/)
- Barrett Honors entrepreneurship course
- Honors Theses involving business plans

ASU 101

Entrepreneurship courses at ASU

- MBB 490 – Business of Biotech (Guy Cardineau)
- HSA 598 – CBS masters course in Biotechnology Venture Management & Entrepreneurship (Brad Kirkmann-Liff)

ASU 101

Entrepreneurship courses at ASU

- W. P. Carey Management Department courses
  - MGT 440 Small Business and Entrepreneurship
  - MGT 445 Business Plan Development
  - W. P. Carey Management Department certificate in Entrepreneurship [http://wpcarey.asu.edu/up/smallbusiness.cfm](http://wpcarey.asu.edu/up/smallbusiness.cfm)

ASU 101

Entrepreneurship at ASU

- The Advanced Technology Innovation Collaboratory encourages innovative technology-based collaboration between ASU’s faculty and small- to medium-size enterprises.
- Arizona Technology Enterprises brings together ASU’s researchers and industry partners to transform scientific discoveries into marketable products and services.
- The Arts, Media and Engineering Program brings together engineering, arts and science disciplines that are invested in media research and training.
- ASU Technopolis spurs innovation in Greater Phoenix by equipping technology, life science, and other innovative entrepreneurs with the skills and contacts they need to better succeed in the marketplace.
- The Center for Healthcare Innovation & Clinical Trials builds upon the Master of Healthcare Innovation to involve nursing students and faculty in creating new healthcare innovations.
- The Center for Media Entrepreneurship, in the Walter Cronkite School of Journalism, will involve students and faculty in the development of new media technologies.
- The Center for Nonprofit Leadership and Management engages in social entrepreneurship and seeks to advance nonprofit leadership practice so that organizations can better achieve their mission.
- The Entrepreneurial Programs Office, in the W. A. Fulton School of Engineering, increases the exposure of engineering students to entrepreneurial opportunities.
Entrepreneurship courses at ASU

My Life Venture:
Make Your Mark!!

With its first offering in Spring 2008, this course will provide you the tools to create your own personal action plan, to create your life and not just your job. Whether you want to start a venture or be a social or political entrepreneur, you will have the means to consider how to evaluate opportunity and consider financial options and obstacles.

Think outside the box, maximize your impact, create your life as a venture.

Entrepreneurship:

What will be Your Mark?