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TRADITIO ET EXCELLENTIA

Fundamentals in Entrepreneurship

Course 1:
Innovation and entrepreneurship: definitions and interdependencies

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AGENDA

1. Organizational details

- Approach
- Courses
- Evaluation Method

2. Innovation and entrepreneurship: definitions and interdependencies

- The Entrepreneur
- Advantages and disadvantages of being an Entrepreneur
- Setting perspectives in Entrepreneurship
- Innovation and problem solving

3. Key Takeaways

4. Evaluation

HOW WILL WE DO IT?

Group Code on Microsoft Teams: **bmf19vb**

Course website: www.danmirceasuciu.ro/fundamente-de-antreprenoriat

- slides of all courses
- video recordings of online courses
- info about speakers: Academics and Practitioners
- useful sources references
- the list of tutors from each faculty

Quiz
(în Ro, Hu, En, Ge - pdf)

Video recordings
(Youtube)

Slides of the courses
(pdf)

Evaluation Method

- Online questionnaire → 5 questions (at the end of the courses)
- The quiz will be available for 30 minutes!
- 5 points / questionnaire → 60 points / semester

Final grade formula:

[(points_accumulated) * 9/50] + 1 point

Quiz

Language selection
(by default the language used in the browser is selected)

Fundamentals in Entrepreneurship

- Courses -

1. Innovation and entrepreneurship: definitions and interdependencies.
2. Digital transformation and Innovative Thinking.
3. From problem to idea. Solution validation. Value Proposition
4. Who are the customers and what are their expectations?
5. Who are the competitors? How to build a competitive advantage?
6. How to build a team? Roles in a team.
7. Business plan
8. Minimum Viable Product (MVP). Launching a product.
9. Public speaking. How to make a pitch?
10. Entrepreneurship ecosystem, growth opportunities.
11. Funding opportunities
12. Face-to-Face Workshop (date to be specified later)

Course 1. Innovation and entrepreneurship: definitions and interdependencies

Asist. Dr. Manuela Petrescu (Ro)
Assoc. Prof. Dr. Cătălina Crișan (En)
Lect. Dr. Daniel Metz (Ger)

2. Digital Transformation and Innovative Thinking

3. From problem to idea. Solution validation. Value proposition

4. Who are the potential customers and what are their expectations?

5. Who are the competitors and how to gain a competitive advantage?

	Criteria						
	Revenue	Profit	Market share	Main activity	No of employee	Product quality	Price
Competitor 1	Your text	Your text	Your text	Your text	Your text	Your text	Your text
Competitor 2	Your text	Your text	Your text	Your text	Your text	Your text	Your text
Competitor 3	Your text	Your text	Your text	Your text	Your text	Your text	Your text
Competitor 4	Your text	Your text	Your text	Your text	Your text	Your text	Your text
Competitor 5	Your text	Your text	Your text	Your text	Your text	Your text	Your text

6. How to build a team. Leadership

7. Business plan

8. Minimum Viable Product (MVP). Launching a product

9. Preparing and delivering a pitch

10. Entrepreneurship ecosystem, growth opportunities

11. Funding opportunities

12. Face-to-Face Workshop
(date to be specified later)

UBB Student i- Lab:

- *engaging students in interdisciplinary programs/competitions*

- *driving commercialization framework for inventions*

- *fostering internationally competitive sustainable programs*

- *developing entrepreneurial leaders and ecosystem*

✓ **For more details check our web…**

- Join the #hackathon Innovation Labs on March 23-24, 2024, in Cluj and take the first step towards realizing your idea!

- Collaborate with experts in the technology and business fields to develop your concept.

- 👀 Win access to the Innovation Labs #mentorship program to perfect your product, preparing it for presentation to investors or clients.

- €500,000 investment for one of the teams at Innovation Labs 2024!

- 👇 Hackathon registrations are open until March 18th:

https://ye35yotivr1.typeform.com/ClujHack2024?typeform-source=www.google.com

Course 1. Innovation and entrepreneurship: definitions and interdependencies

“The best way to predict the future is to create it .”

—Peter Drucker

The Entrepreneur

- an individual in charge of arranging and conducting exploratory and military expeditions.

- an innovator who leads the creation-destruction process of capitalism" (Schumpeter, 1934) .

- always searches for change, responds to it, and exploits it as an opportunity (Drucker, 1993)

- is a change agent, ensuring the continuity and development of the economy (Swedberg, 2006).

- is a leader willing to take risk and exercise initiative, taking advantage of market opportunities by planning, organizing, and deploying resources (Deakins & Freel, 2012).

An entrepreneur is a person who creates a new business, facing risk and uncertainty, to achieve profit and growth by identifying significant opportunities and assembling the necessary resources in an innovative way to capitalize on them (Scarborough, 2011).

Entrepreneurs create new ideas and new businesses that make the existing ones obsolete

The entrepreneur is
"...an authorized individual or a legal entity who, by themselves or through association with other authorized individuals or legal entities, incorporate a company in order to engage in commercial activities with the aim of obtaining profit through producing goods, delivering services and selling these on the market under competitive conditions" …" (Law 133/1999 Small and Medium Enterprises)

The entrepreneurial profile:

- Optimistic
- Responsible
- Future oriented
- Self-Disciplined
- Perseverant
- Flexible
- Charismatic
- Risk taker
- High level of energy
- Eager to learn
- Looking for feedback

Key elements to follow the entrepreneurial path

1. **Mindset**

2. **Knowledge**

3. **Capabilities**

4. **Community**

The Benefits of being an Entrepreneur

Opportunity....

- *to create your own destiny*
- *to make a difference*
- *to reach your full potential*
- *to make impressive profits*
- *to contribute to society and be recognized for your efforts.*
- *to do what you enjoy and have fun at it.*

The Potential Drawbacks of being an Entrepreneur

- *Uncertainty of income*
- *Long hours and hard work*
- *Risk of losing your entire investment*

Entrepreneurs should ask themselves if they can cope with the consequences of failure:

- ✓ ***What is the worst that could happen if I open my business and it fails?***
- ✓ ***Am I truly prepared to launch my business?***
- ✓ ***What can I do to lower the risk of my business failing?***
- ✓ ***If my business were to fail, what is my plan for coping?***

•*Lower quality of life until the business gets established*

•*High levels of stress*

•*Discouragement*

•*Complete responsibility*

People spend money to:

1. Solve a problem -> get rid of a suffering;
2. Get what brings them happiness -> satisfaction/advantages.

A temporary organization designed to search for a repeatable and scalable business model.

A designed startup aims to become a company'.

+

Sales (Product Development and/or Market Development)-> Scale-up

Perspectives in Entrepreneurship: Degree of innovation

-Professor Bill Aulet of MIT-

SMEs (Small and Medium Enterprises)

Ex. Restaurants, Dry Cleaners, Service

IDE (Innovation Driven Enterprises)

Ex. Netflix, Uber, UiPath, Indigo Airlines

Local & regional markets only
Family business/sole proprietorship

Focus on regional or global markets
Product/Innovation at core
More diverse ownership

- The Essence of Good IDE

The entrepreneurial team must have :

- analytical and resolution skills;
- technical expertise;
- management / leadership expertise.

Every entrepreneur needs to develop a team that covers several complementary areas.

Roles an entrepreneur should have in his team

Financial controller

Marketing specialist

Technician / IT specialist

Leader

IDE: Stages and Activities

2.2 Perspectives in Entrepreneurship: According to the Mission

Conventional Entrepreneurship

Profit Size defines the success of the organization

Stakeholders:

Entrepreneurs/Investors/Owners

Social Entrepreneurship

Social and environmental mission defines the success

Stakeholders:

Beneficiaries
Sponsors/Donnors
Community/Society

- **10 million social enterprises** globally
- generating around $ ***2 trillion in revenue*** each year
- are creating ***200 million jobs*** across various sectors, from agriculture to financial services.
- ***one in two social enterprises*** around the world are led by women, compared to 1 in 5 conventional enterprises. (World Economic Forum, 2024)

Social Entrepreneurship

-the primary mission is to create *social, cultural and environmental value* and not that of the financial interest of the entrepreneur and / or investors (Zadek and Thake, 1997).

- promotes an *innovative and visionary perspective* based on *solid ethical principles* aimed at capitalizing on opportunities given by a *strong social mission* (Bacq and Janssen, 2011).

- addresses the needs *vulnerable groups* that face integrating *difficulties* into economic and social systems (Hudson, 2009).

- *innovative value creating process which aim solving social problems by transforming the society's failures and turning them into business opportunities.*
- *profit is only a mean, not an end for the organization*

Exemples of social entrepreneurship projects in developing countries
https://borgenproject.org/social-entrepreneurship-in-developing-countries/

Facilitators in Social Entrepreneurship

Sustainability Mindset

a set of beliefs attitudes and expectations about the world that shape the actions of the individual in what concerns the use resources carefully, mindfully and with respect to social justice

Inclusive community

values all its members and helps them to meet their basic needs so that they can live with dignity, engage actively, and contribute to their community development.

Social Change

refers to the improvement of the condition of vulnerable groups and by improving the environment, through self-sustainable or financially autonomous mechanisms.

Social Innovation

involves the development, application or introduction of innovative ideas, behaviors, products, processes, in order to create value for the users and long-lasting social impact.

Social Entrepreneurship vs. Corporate Social Responsibility

Mission Motive ⟷ *Profit Making Motive*

Not-For Profit Organizations	Conventional Enterprises/Companies

Traditional Non-Profit Organizations

Entrepreneurial Non-Profit Organizations

Social Enterprises

Socially Responsible Businesses

Corporations Practicing Social Responsibility

Traditional For-Profit

Stakeholders Accountability
Incomes reinvested in social programs

Shareholders Accountability
Profit Redistributed to Shareholders

Social Entreprepreneurship in Romania

Social Economy Organizations (SEO) (L219/2015)

- serve social and environmental purposes-> general interest;
- at least 90% of the profit must be utilised to sustain the social mission;
- assets remaining after liquidation must be transferred to one or more SEOs.

Not For Profit tend to integrate commercial *initiatives to meet the socio-economic needs of vulnerable groups.*

NPOs create social enterprises (spinoffs):

- *to have income-generating activities that support the social mission.*
- *to ensure a faster growth as a stand-alone unit*

(ex. product is too different and difficult to integrate into organization's activity).

2.623 – The number of active Social Enterprises

*https://alaturidevoi.ro/registrul-national-de-evidenta-a-intreprinderilor-sociale-2023/

Social Entrepreneurs

- a person or a group interested in starting a business for greater social good –not just the pursuit of profits;

- their primary ***mission is to create social value*** in a sustainable way;

-they lunch innovative organizations that provide people with the tools, education and resources to become entrepreneurs.

Bill Drayton, the founder of Ashoka:

"Social entrepreneurs are not content to just give away fish or teach others how to fish, they will not rest until they revolutionize the fishing industry."

1. Angela Achitei:
https://alaturidevoi.ro/

2. Tică Darie:
https://www.madeinrosiamontana.ro/

MADE IN ROSIA MONTANA
Merino Wool Knitwear

3. Simon Suitner
http://somaro.org/ro

4. Camelia Gui
http://foodwaste.ro/

8. Andreea Bobis
https://cluj.bancapentrualimente.ro

6. Doris Stavride https://recicleta.ro/

7. Diana Certan
http://www.concordia.org.ro/intreprindere-sociala/brutaria-concordia

5. Simina Lakatos
office@ircem.ro

3. Innovation and problem solving

Every new business idea is built upon a stack of assumptions.

You must get into the market, or “Get out of the building!”

1. Market pull: identify a need/a problem and go to search a solution -> solve the problem;

- talk directly to your customers and partners and observe their behavior;

“You must find a problem”

2. Technology Push:

- engineers’/scientists create an invention and then find a market;
- new applicability of existing technologies;

“***Find market opportunity”***

Creativity and innovation – a necessity for survival

- ✓ **Creativity** is the ability to develop new ideas and to discover new ways of looking at problems and opportunities.
- ✓ **Invention** - is a unique or novel device, method, composition or process.
- ✓ **Patent** is the right to make, use or sell an invention.
- ✓ **Innovation** is the ability to apply creative solutions to those problems and opportunities to enhance or to enrich people`s lives.

Innovation=Invention X Commercialization

- **Innovation happens when unfulfilled needs are discovered**

- ❑ Unexpected context
- ❑ Unconformities
- ❑ Industry/Market structure
- ❑ Demographics
- ❑ Change in perception
- ❑ New knowledge invention

What are your customer's main difficulties and challenges?

How are current solutions underperforming?

What makes your customers feel bad?

What risks does your customer fear?

How to promote creativity to reach innovation?

- ✓ Encourages diversity;
- ✓ Learn from any experience;
- ✓ Capitalizing on hobbies you have;
- ✓ Encourage creative thinking;
- ✓ Accept failure;
- ✓ Perceive problems as opportunities;
- ✓ Develop internal procedures for capturing recommendations;
- ✓ Become a member of learning communities;
- ✓ Discuss problems and concerns consumers; suppliers, business partners might have;
- ✓ Study existing patents but also those whose term has expired.

Recommended Books:

Key Takeaways

1. Entrepreneurship is a team sport not an individual sport!

- Requires Common Vision
- Shared values
- Complementary skills

2. Entrepreneurs are first passionate about what they are doing.

3. The more time you are an entrepreneur the more likely is to learn how to become a successful entrepreneur.

4.The purpose of entrepreneurship is value creation!

5. Entrepreneurship from economical and cultural standpoint has many definitions,

....but you must define what Entrepreneurship means to you !!!!

Quiz

Questionnaire language selection

Quiz→

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