

Entrepreneurship and Innovation Lecture 1:

Capitalism – supply and demand of goods through private suppliers for the purpose of profit.

Entrepreneurship -dynamic process of vision, change and creation. Requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Closely linked to capitalism.

Entrepreneurs: create new businesses, generate economic growth and job creation. Social change, community development. Recognise opportunities, are aggressive. Catalysts for change in the marketplace, challenge the unknown. Stimulate innovation, productivity and efficiency.

Business entrepreneurs – driven by profit and market share.

Social entrepreneurs – driven by a social mission to fill gaps left by the market and public sector.

Small business owners – prefer a more stable and less aggressive approach. Would rather exploit existing equilibrium opportunities. Operate in existing markets.

Opportunistic entrepreneurs – driven by a need to achieve or to succeed.

Necessity entrepreneurs – driven by survival oriented motivations.

Entrepreneurship – Impacts economic measures for growth, innovation, and internationalization. Needs both dynamism and stability for the creation of new businesses and the exit of nonviable ones. Requires a variety of business phases and types and different types of entrepreneurs including women and age groups. Works best when there is a strong set of basic economic requirements in place to reinforce efficiency enhancers. Flourishes when there is broad societal acceptance of the entrepreneurial mind set.

Identify other's needs. Build a product that meets those needs. Repeat until correct.

Cognition – refers to mental processes. These processes include; attention, remembering, producing and understanding language, solving problems, making decisions.

Entrepreneurial cognition – how entrepreneurs perceive, recognise, conceive, judge, sense, reason, remember and imagine.

Schools of thought:

Macro view – focused on events 'from the outside looking in' at the entrepreneur's behaviour. Includes external factors that can lead to success or failure. Factors include education, physical infrastructure, culture and financing.

- Social and cultural: focus on external factors and conditions shaping the entrepreneur.
- Financial/capital: focus on how to seek seed capital and growth funds.
- Displacement: factors that prevent a person from doing other activities due to group membership.
- Ecological: focus on natural systems and constraints and includes 'green economics'

Micro view – assumes the entrepreneur has the freedom to direct or adjust the impact of a range of major influences. Focused on the entrepreneur's behaviour 'from the inside looking out' at external events and forces.

- Entrepreneurial trait: traits common to successful entrepreneurs – self efficacy, proactive personality, tenacity, etc.
- Venture: right idea/right time/right market niche. Importance of preparation and awareness.
- Strategic formulation: Importance of planning to successful enterprise. Leveraging unique, identifiable elements to form a venture.

Entrepreneurial risks: financial, career, family and social, psychological.