

## Week 1

### **What is innovation?**

- Process of translating an idea or invention into a good or service that creates value or for which customers will pay (Usually includes technology ex. Wind turbines)

### **Invention vs. Innovation**

- Invention is the creation of a product or introduction of a process for the first time
- Innovation someone improves on or makes a significant contribution to an existing product, process or service

## Week 2

### **What is an entrepreneur? Characteristics and roles of the entrepreneur.**

- Person who organizes, operates and assumes the risk for a business venture
- Innovator who recognizes and seizes opportunities, implement their ideas and gains the rewards from these efforts

#### *Characteristics*

- Creativity
- Passion
- Perseverance
- Resourcefulness
- Open-Mindedness

#### *Roles*

- Create new product (innovate)
- They create jobs
- Promote economic growth

### **What is entrepreneurship?**

The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit.

#### *Theories*

1. Economic Approach
2. Psychological characteristics school or entrepreneurial personality approach
3. Social-behavior approach

ALL = ENTREPRENEURSHIP

### **Define entrepreneurial alertness and give examples**

- Special skill set of observational and thinking skills that help entrepreneurs identify good opportunities
- Gives them the ability to notice things that have been overlooked w/o having to look for it

### *Examples*

- Realizing that

### **Opportunity entrepreneurship vs Necessity entrepreneurship**

OE: actively start up the business to pursue an unexploited or under-exploited business opportunity

NE: Start up the business because they have no other choice to earn a living

### **What links innovation and entrepreneurship?**

- Entrepreneurship drives innovation to create value - social and commercial - across the life cycle of organizations - Bessant and Tidd
- Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service - Peter Drucker

### **Types of entrepreneurship: context vs level of analysis**

#### *Types of Entrepreneurship*

- Start-up
- Corporate (Intrapreneurship)
- Public
- Social
- International

#### *Level of analysis*

- Individual Level
  - personality, characteristics, strategies and achievements
- Firm Level
  - Size, tech, strategies, resources and performance
- Regional and National Level
  - Aggregate entrepreneurial activities or pro-entrepreneurship policy and economic growth

### **What is GEM? What are the objectives of GEM?**

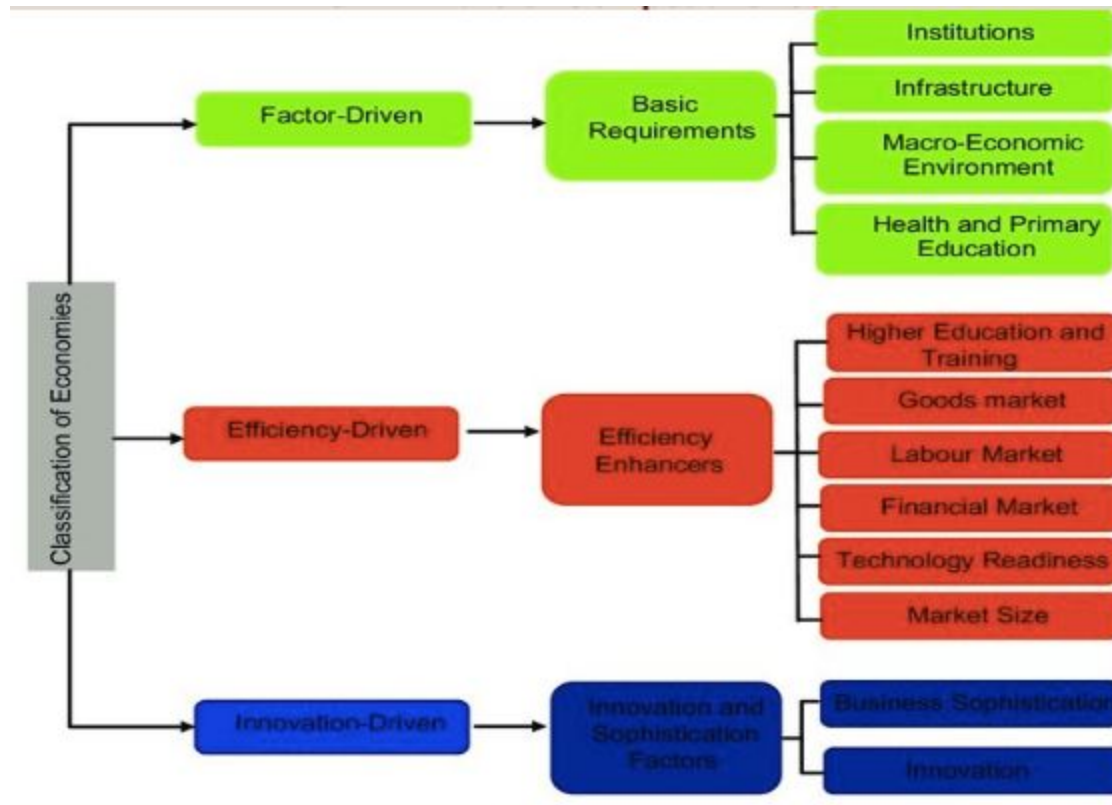
- GEM is an annual assessment of the national level of entrepreneurial activity started in 1999 with 10 countries

#### *Objectives*

- To measure differences in the level of early stage entrepreneurial activity between countries
- To uncover factors determining the levels of entrepreneurial activity
- To identify policies that may enhance the level of entrepreneurial activity

### **What is competitiveness? What are the 12 pillars of competitiveness according to GEM?**

- Competitiveness is defined as the set of institutions, policies, and the factors that determine the level of productivity of a country



**Define factor-driven, efficiency-driven, innovation-driven economies. Give examples**

#### *Factor-driven economies*

- Compete on the basis of unskilled labour and natural resources
- Pillars: institutions, infrastructure, macroeconomic stability, health and primary education  
1st - 4th
- Highly sensitive to world economic cycles, commodity price trends, and exchange rate fluctuations

#### *Efficiency-Driven Economies*

- Countries that compete on the basis of production processes and increased product quality
  - Well established higher education and training
  - Efficient goods and labour markets
  - Sophisticated financial markets
  - Large domestic or foreign market and the capacity to harness existing technologies, or technological readiness

#### *Innovation-Driven Economics*

- Countries that compete on business sophistication and innovation
- There is an expanding service sector that caters to the needs of an increasing affluent population

**What is TEA?; What is PEP?**

- TEA → sum of the number of persons starting a business (starting entrepreneurs)
- PEP → the number of owners of businesses that were established less than 3.5 years (young entrepreneurs), as a percentage of the labour force

### Week 3

#### **What is female entrepreneurship? Give examples of female entrepreneurs**

An entrepreneur that is a female

Ex. Cher Wang (HTC), Ariana Huffington (Huffington Post)

#### **What do you know about female entrepreneurs in Canada?**

- On average women business owners are younger and have fewer years of management or ownership experiences
- Most likely to start and run small business in retail/service sectors
- Women make 58% less than their counter
- 60% are solo entrepreneurs (no employees)
- 37% are self-employed person

#### **What are barriers against female entrepreneurs?**

- Socio-cultural barriers - status of women
- Less access to formal business networks
- Less access to capital due to
  - Structural similarities in business profiles
  - Supply-side discrimination
  - Demand-side discrimination

#### **What are the social, economic and psychological impacts of women as entrepreneurs?**

- Economic impact → raising the percentage of women entrepreneurs to men's, level economy would prosper
- Social Impact → introduction into untapped business arenas women change the structure of society (for the good)
- Psychological Impact → the only free women are the entrepreneurs

#### **What is the importance of economic immigrants?**

- Accept work practises that indigenous workers would not
- Bring new skills and work practises
- Operate in areas shunned by mainstream indigenous workforce

#### **How do you think about the effects of immigration on Canada?**

- Canada is a whole immigrant country
- It helps our economy, it brings new ideas/resources in and out of Canada
- It's important to regulate it to control population... and it's important people who are coming to live here are coming to work

- They need help in the beginning but become like citizens right after

### **Characteristics of ethnic minority entrepreneurship**

- They have a culturalist approach: EM entrepreneurs are different: ethnic resources.
- A materialist structural or economic dead end approach: EM's face a number of material constraints, notably racial discrimination, which limit their labour market opportunities.
- Interactionist perspectives: interplay between internal group resource dynamics and external opportunity structures: Sector, Size Location, access to finance, social networks.

### Week 4

#### **What is Corporate entrepreneurship?**

- The process whereby an individual or group of individuals, in association with an existing organization, create a new organization or instigate renewal or innovation within that organization

### Week 5

#### **What is Social Entrepreneurship?**

- Process of creating value by bringing together a unique package of resources to exploit an opportunity, in pursuit of high social returns (Can be for profit/non-profit)

#### **What are characteristics of Social Entrepreneurship?**

- SE meets needs unmet by commercial markets and usually the government
- SE is motivated by social benefit
- Successful SE usually works with, not against, markets

#### **What makes social enterprises different from business enterprises?**

- Multiple bottom line
- Partnerships
- Community
- SE focuses beyond simply generating a profit, and measures its performance on the positive impact the business makes on society – whether social, cultural or environmental.

#### **What are challenges and opportunities of social enterprises?**

##### CHALLENGES

- Money, Competition, Demonstrating effectiveness, Technology
- Trust, Human Resources, Public-sector relations

## OPPORTUNITIES

- Social Issues inadequately addressed by government
- Growing demand for corporate social responsibility and ethical entrepreneurship
- Increased social welfare spending through sector
  - Entitlement expansion/ welfare reform

### **What is public entrepreneurship?**

- Due the government being responsible for the public good
- Public entrepreneurship is social entrepreneurship
- The process of creating value for citizens by bringing together unique combinations of public and/or private resources to exploit social opportunities

### **What are characteristics of public entrepreneurship?**

- Multiple, ambiguous, hard-to-measure goals
- Hard-to-risk taxpayer money
- Limited managerial autonomy and high visibility
- Short term budgeting and election cycles
- Bureaucracy and civil service protecting the status quo
- Lack of incentives for improvement: What is profit? Who to receive rewards?
- Concerns about increased autonomy of public managers

### **What is habitual entrepreneurship? Serial entrepreneurship? Portfolio entrepreneurship?**

#### HABITUAL ENTREPRENEURSHIP

- Business generators, engaging in repeated entrepreneurial behaviors
  - Experienced entrepreneurs
  - Enjoying the excitement and challenge of start-ups
  - Employing professional management

#### SERIAL ENTREPRENEUR

- Who owns one business after another but only one business at a time

#### PORTFOLIO ENTREPRENEUR

- Who owns more than one business at a time

## Week 6

### **What are the different financial sources? Internal sources vs. external sources**

#### INTERNAL SOURCES

- Uses retained earnings or cash flows from positive NPV projects

#### EXTERNAL SOURCES

- Equity (equity market, venture capital companies, business angels)
- Debt (Banks, Hp/Leasing, other credit, bonds, loans)
- Alternatives

### **How do these financial sources correspond to business stage of development?**

- When you are just a **Seed** -- personal finance, family and friends, and some bootstrapping is what will help you
- When you are a **Start-up** -- bootstrapping, internal funding, seed capital: public/grant funding and some business angels help
- When you have **Early Growth** -- business angels, formal venture capitalists, and some commercial banks help
- When you are **Established** -- commercial banks and IPO help

### **Why banks hesitate to lend capital to small businesses?**

- Banks do not like taking risks, due time like recession where money was tight, banks were bankrupt and stock markets were crashing. Which is why banks prefer to lend to early growth and established business
- If you take a loan from the bank and the business fails, then the bank loses money. If you take a loan from the bank and the business prospers then the bank gains. With the statistic of 3 in 4 of start-ups fail. Banks are really tedious in choosing and deciding if they want to make investments in small/start-up businesses.

### **What do banks consider when offering loans?**

- The individual
- The idea
- The business plan (products/services, innovation, people, profitability)
- The finance requirements ( What for and for how long? Repayment source, security/collateral, commitment (owners contribution)
- Feasibility
- Serviceability -- can the business service the advance?

### **What is venture capital?**

**Venture capital** is a type of funding for a new or growing business. It usually comes from **venture capital** firms that specialize in building high risk financial portfolios. With **venture capital**, the **venture capital** firm gives funding to the startup company in exchange for equity in the startup.

- Institutional → investments by full time professional who raise money from financial institutions
- Informal → investments by wealthy private individuals
- Corporate → minority investments by large companies in small firms for strategic reasons
- Public sector → investments with social or welfare aims, as well as financial aims

### **Who are business angels?**

- Private, HNW individuals who make direct investments in unquoted companies in which they have no family connection

### **What is bootstrapping? And what are their techniques?**

- Bootstrapping is building a company from the ground up with nothing but personal savings and with luck, and the cash coming from first sales.

#### *Techniques*

#### CUSTOMER-RELATED

- Discount on upfront payments
- Advance payments
- Speed up invoicing
- Select customers who pay quickly
- Negotiate payment conditions

#### OWNER RELATED

- Withhold salary
- Use own credit card
- Obtain funds from other business
- Family and friends

#### JOINT-UTILIZATION

- Borrow equipment from other businesses
- Hire temp employees
- Share business space
- Share equipment.

### Week 8

### **How can you recognize entrepreneurial opportunities?**

- Prior experience, creativity, social networks and cognitive factors.

### **What is an entrepreneurial network?**

- An interconnected chain of entrepreneurs, individuals and orgs who exchange , share and provide info, services, advice and support that add value and vitality to business

### **What are the 3 key factors of a successful entrepreneurial network?**

- Organizations that provide guidance and facilitation
- The continued leadership and direction of member entrepreneurs
- Continued benefits to entrepreneurs.

### **What are the benefits of joining an entrepreneurial network?**

- Entrepreneur networks are a valuable source of knowledge spillover and social capital

**Accessibility:** new opportunities, new knowledge/ resources, new customers and new markets

**Reputation:** know more and get more known

**Expectations:** stay motivated and gain support

**What is strategic networking?**

- Strategic networking utilized the interaction with people to determine the best actions that should be taken to achieve business goals and objectives.

**What is institution? Formal institution vs. informal institution**

→ Social structures that are constructed by humans to provide stability and meaning to life. they are rules of the game that both enable and constrain human behaviour

FORMAL

- legal and constitutional regulations, independent and well functioning judiciary system

INFORMAL

- socially shared rules, usually written that are created, communicated and enforced outside of official channels. like cultural norms.

**What is institutional entrepreneurship?**

- Activities of actors who have an interest in particular institutional arrangement and who leverage resources to create new institutions or to transform existing ones.
- New institutions arise when organized actors with sufficient resources see in them an opportunity to realize interests that they value highly

Who are institutional entrepreneurs?

\*\*\*\*\*

**What are economic institutions?**

Are the formal and informal rules that organize the economic flow and activity of a society

**How do you understand the differences between economic institutions underpinning capitalism vs those underpinning socialism?**

- In socialist country more formal rules will be set in place because everything is shared
- However, in a capitalist country the rule will be more informal because it is more of an individualist country

Week 9

**What are the location factors of firms?**

PHYSICAL FACTORS

- Natural routes
- Power
- Raw materials
- Site and land

## HUMAN/ECONOMIC FACTORS

- Labour, capital, market, transport, government, geographical inertia, technology, leisure facilities

### **What is the system of entrepreneurship? NSE vs. RSE**

→ as those economic, social, institutional and all other important factors that interactively influence the creation, discovery and exploitation of entrepreneurial opportunities

- Depends on interactions among 3 major groups
  - Individuals, organizations, and institutions
- NSE → National System of Entrepreneurship
- RSE → Regional System of Entrepreneurship
- Regional vs national: a region can be a county, a city, a state or any definable geographical area that has a function of facilitation entrepreneurial activity

### **What makes an entrepreneurial city?**

- Presence is a representation of the scale and growth of business ownership
- Perspective over indicators associated with optimism and growth plans
- Policy represents indicators associated with the actions local governments take with respect to business taxation and regulation

### **What are IPRs? And why is it important for firms to protect their IPRs?**

- refers to the creation of knowledge, for which a set of exclusive rights are recognized and the corresponding fields of law.
- Types include: Copyrights, trademarks, patents, industrial designs etc.

#### Protection

- To give statutory expression to the moral and economic rights of creators in their creations and the rights of the public in access to those creations
- To promote, as a deliberate act of government policy, creativity and the dissemination and application of its results and to encourage fair trading which would contribute to economic and social development

### **What are different types of IPs? Patent, copyright, trademark, trade secret, industrial design, geographical indication.**

COPYRIGHT → Exclusive rights regulating the use of a particular expression of an idea or information

TRADEMARKS → Is capable of distinguishing goods and services of one trader from those of another, such as brand, heading, label, logo, name, signature etc.

PATENTS → Exclusive rights to make or sell inventions

INDUSTRIAL DESIGN → Protection for aesthetic appearance that are new or original, covering the whole or part of a product. Design are features of shape, configuration, pattern or ornament

GEOGRAPHICAL INDICATION → an indication which identifies any goods as originating in a country or territory or a region or locality where a given quality, reputation or other characteristic of the goods is essentially attributable to their geographical origin

- Product must come from a particular geographical territory to use a name linking to the geographical territory, for instance, swiss made watches.

Examples of different types of IPs.

\*\*\*\*\*

## Week 10

### **What is a lifestyle business? Examples**

- Is set up and run by its founders primarily with the aim of sustaining a particular level of income and no more; or enjoy a particular lifestyle.
- Ex. professional blogging, novelist, online store

### **What are “gazelle” business, “mice” business, and “elephant” business? Examples**

#### GAZELLE BUSINESS

- >1mil sales, 20% growth rate for 4+ years. About 4% of US firms
- Ex. Apple, Facebook and amazon.

70% of US employment different from

#### ELEPHANT BUSINESS

- Large enterprises <500 employees

#### MICE BUSINESS

- Small business < 20 employees

### **What is the triple helix?**

- The collaborations among universities, businesses, and governments leading to entrepreneurial activities have received a lot of attention. Successful examples of such endeavours are plenty. However, how this triple-helix ecosystem may have changed in the digital economy remains unexplored. Specifically, there is a lack of research that addresses the changing roles of universities from acting as places for conducting R&D to become marketplaces for customers.

### **What are the internal and external growth strategies for firms? Examples for each type of grow strategies.**

#### INTERNAL GROWTH STRATEGY

- New Product development
- Other product related strategies
- International expansion

## EXTERNAL GROWTH STRATEGY

- Mergers and Acquisitions
- Licensing and Franchising
- Strategic alliances and joint venture

## Week 11

### **What is international entrepreneurship?**

- It is the process of an entrepreneur creating value by conducting business activities across national borders. is defined as development of international new ventures or start ups that from their inception engage in international business.

### **Why international entrepreneurship is important?**

- Increased sales and profit
- Economies of scale
- Economies of scope
- Globalization of competitors
- Utilization of talent and managerial competence
- Improving competitiveness and reputation
- Network effect = Global Dominance

### **What are the barriers to international entrepreneurship? Examples for each barrier**

- Financial Constraint
- Legal barriers
- Technical / Knowledge barriers
- Political Barriers
- Economic Barriers
- Cultural Barriers
- Global Efficiency and Local Responsiveness

### **How firms go international? The OLIT model**

- Ownership: Something special to take into foreign markets
- Location: Which markets to enter and location specific attributes
- Timing and Scale: When to enter the markets and on what scale
- Internalization: Which internalization entry mode to use.

### **What are advantages and disadvantages of SMEs' internationalization.**

#### ADVANTAGES

- Innovation - Initiators of change
- Flexibility - Resource Leveraging

#### DISADVANTAGES

- Smallness - Difficulty raising capital, burden of government administration

- Newness - difficulty attracting resources, finance suppliers, customers and employees.

**Models of SMEs' internationalization: stage model (Upsala model), network model, born global model.**

STAGE MODEL

- Internationalisation is a sequence of incremental decisions: from a domestic base and makes increasing commitment to international markets
- Firms might jump one or more stages

*Four stages*

Stage 1: No regular export

Stage 2: Export via agents

Stage 3: Own sales subsidiary

Stage 4: Production in a foreign market

NETWORK/RELATIONSHIP MODEL

- Firms internationalise because other firms in their network do so.
- Based on social exchange of firms (rather than economic): The development of trust and co-operation can ensure the efficient operation of the network.
- Network structures can be vertical (suppliers or customers) or horizontal.

BORN GLOBAL MODEL

- Early internationalisation i.e. ranges from firms within two years to eight years and international sales of 5%-40% of overall output.
- Companies which serve international markets before domestic or domestic sales result from international sales.
- International start-up companies are positioned to compete globally