

ENTREPRENEURSHIP AND INNOVATION

Class 1 - Introductions, formalities, and a quick overview

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Pontificia Universidad Javeriana in Bogotá, Fall 2018

The 5 Ws

- ▶ Javier A. Rodríguez-Camacho, Ph.D.
- ▶ Mondays, 6:00 pm to 7:30 pm & 7:45 to 9:00 pm
- ▶ Room SC009-P111 (for today)
- ▶ Sebastián Salazar (T.A. - j.salazarc@javeriana.edu.co)
- ▶ rojavier@javeriana.edu.co
- ▶ <http://jrodriguez6.weebly.com/teaching.html>





What do you know about the course?

Go here: <http://tiny.cc/wzpmvy>

The course in a nutshell

A 12-week venture-creation simulation.

- ▶ Find or create a business opportunity
 - ▶ Generate and deliver value for some customers
 - ▶ Capture it through a start-up type organization.
-
- ▶ The only way to learn about entrepreneurship is being an entrepreneur.
 - ▶ Entrepreneurship is only possible in teams.
 - ▶ You really have to want it.

The course in a nutshell

- ▶ You form a team (3 to 5 people)
- ▶ Develop an entrepreneurial project to be evaluated at several stages
 - ▶ Two presentations (pitching sessions)
 - ▶ An open air event (demo day)
- ▶ [The learning plan](#)

YES

Am I interested in making a living doing what others do?

How do they do it?

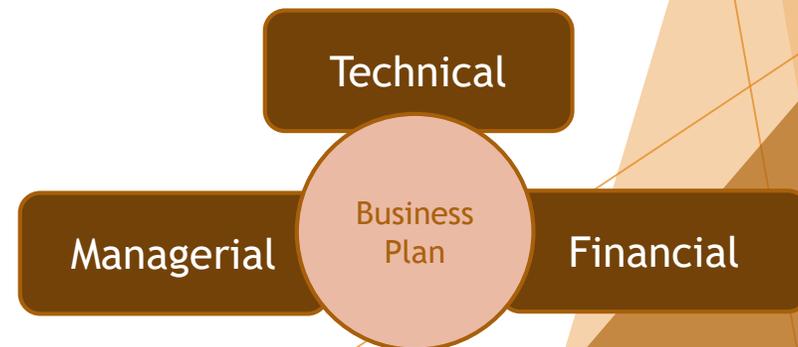
→ Business Model

Can I do it differently?

→ Value Proposition

Is it worthwhile, profitable?

→ Validation



NO

Am I interested in making a living doing what others do?

Do I know how to solve any problem?

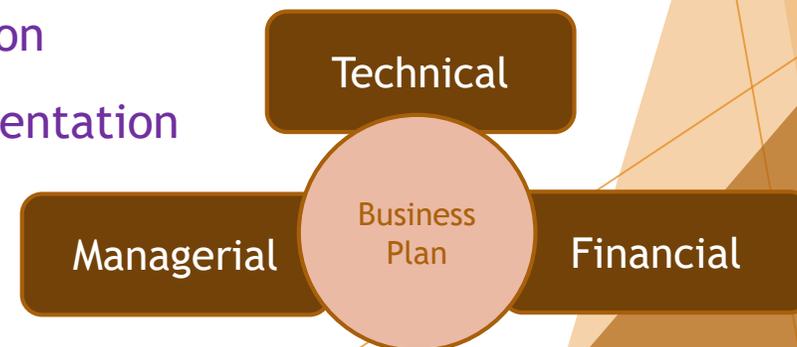
→ Value Proposition

Whose problem?

→ Customer Segmentation

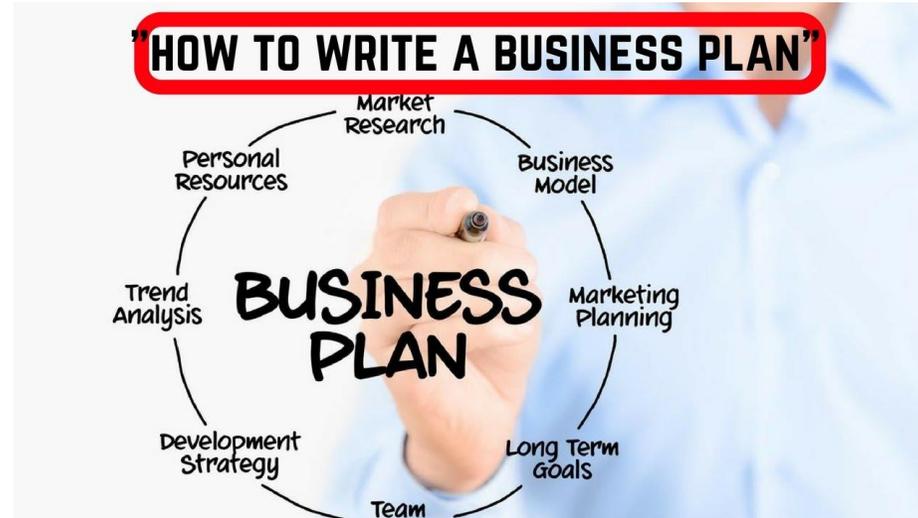
Is my solution feasible, unique?

→ Validation



Thus, in this class you will learn what a **business plan** is

- ▶ Why it is useful
- ▶ How to read/understand one
- ▶ How to prepare one that **works!**



The business plan is just a learning tool

You should focus on making your idea a reality.





AUGUST 17, 2015

TIME

The
Surprising
Joy of
**Virtual
Reality**

And why it's
about to change
the world

By Joel Stein



*Palmer Luckey, 22,
inventor of the
Oculus Rift, is one
of the visionaries
making virtual reality
mainstream*

time.com

Empty buzzwords
are banned!!!

Start-up

Spin-off

Quality

Block chain

Innovation

Social Media

Empower

App

Technology

Lean

Big Data

Millennials

Positioning

How do I sell this?

There are two caveats, though.



This is an entrepreneurship class

Make a new/crazy idea a reality



This is an innovation class

You have to think outside the box

How will we achieve that?

The Formalities

The Program

https://jrodriguez6.weebly.com/uploads/6/1/5/6/61560535/programa_innovacion_2018_-_ii_.pdf

What is expected of you?

- ▶ Originality
- ▶ Honesty
- ▶ Respect
- ▶ Punctuality
- ▶ Full commitment
- ▶ Constant engagement in the class
- ▶ Proactive attitude
- ▶ Consistency in effort
- ▶ Take the most out of the class!
- ▶ Compliance with the university norms

Let me tell you three little secrets

- ▶ Plagiarism = death.
- ▶ I love rewarding effort.
- ▶ Extra points are extra.

Evaluation activities

- ▶ **Final project to be developed in groups (55%)**
 - ▶ Two preliminary evaluations (15% each)
 - ▶ Public presentation to an external evaluating committee (25%)
- ▶ **Written exams (25%)**
 - ▶ A partial and a final (10% and 15% respectively)
- ▶ **Assignments (10%)**
 - ▶ Individual and team work
 - ▶ Reading controls, homeworks, etc.
 - ▶ Individual pitch (5%)
- ▶ **Class activities (10%)**
 - ▶ Presentations, participation in general, volunteering.

Some Important Dates

- ▶ 07/30 : Individual pitching session
- ▶ 08/20 : Partial Exam
- ▶ 08/27 : First Presentation (Primera Entrega)
- ▶ 10/22 : Second Presentation (Segunda Entrega)
- ▶ 11/07 : Feria del Emprendimiento
- ▶ 11/12 : Final Exam

What to do with all these holidays?

- ▶ We have five conflicting dates:
 - ▶ 08/20, 10/15, 11/05, 11/12 (Holidays)
 - ▶ 08/13 (Sorry, AOM meeting)
- ▶ We need to move at least some of these:
 - ▶ The Partial Exam from August 20 to August 25 (Saturday)
 - ▶ The Final Exam from November 12 to a takehome (11/8-12)
 - ▶ One on one meetings, online?
 - ▶ Flipped classroom

Welcome to the flipped classroom

- ▶ What on earth is a [flipped classroom](#)?
- ▶ In our case...
 - ▶ You prepare the class beforehand
 - ▶ You present to the class what you learned (usually related to progress in your project)
 - ▶ I take the mic for a little while
 - ▶ You work on the projects the rest of the class.

Who are you?

- Match the firm to what they (say they) do, fill the form.
- The first 5 students to complete the form correctly get extra points.
- You have 10 minutes. Go, go, go!



Making sure we speak the same language

- Basic concepts and definitions.

Entrepreneurship

- ▶ “A management and leadership style that involves **pursuing opportunity** without regard to the resources currently controlled.”

(Adapted from Stanford University’s Technology Entrepreneurship course, 2015)

- ▶ A process.
- ▶ Involves leadership, creativity, risk, a vision.
- ▶ To obtain, generate, and manage some resources.
- ▶ Does not necessarily imply creating a new organization.

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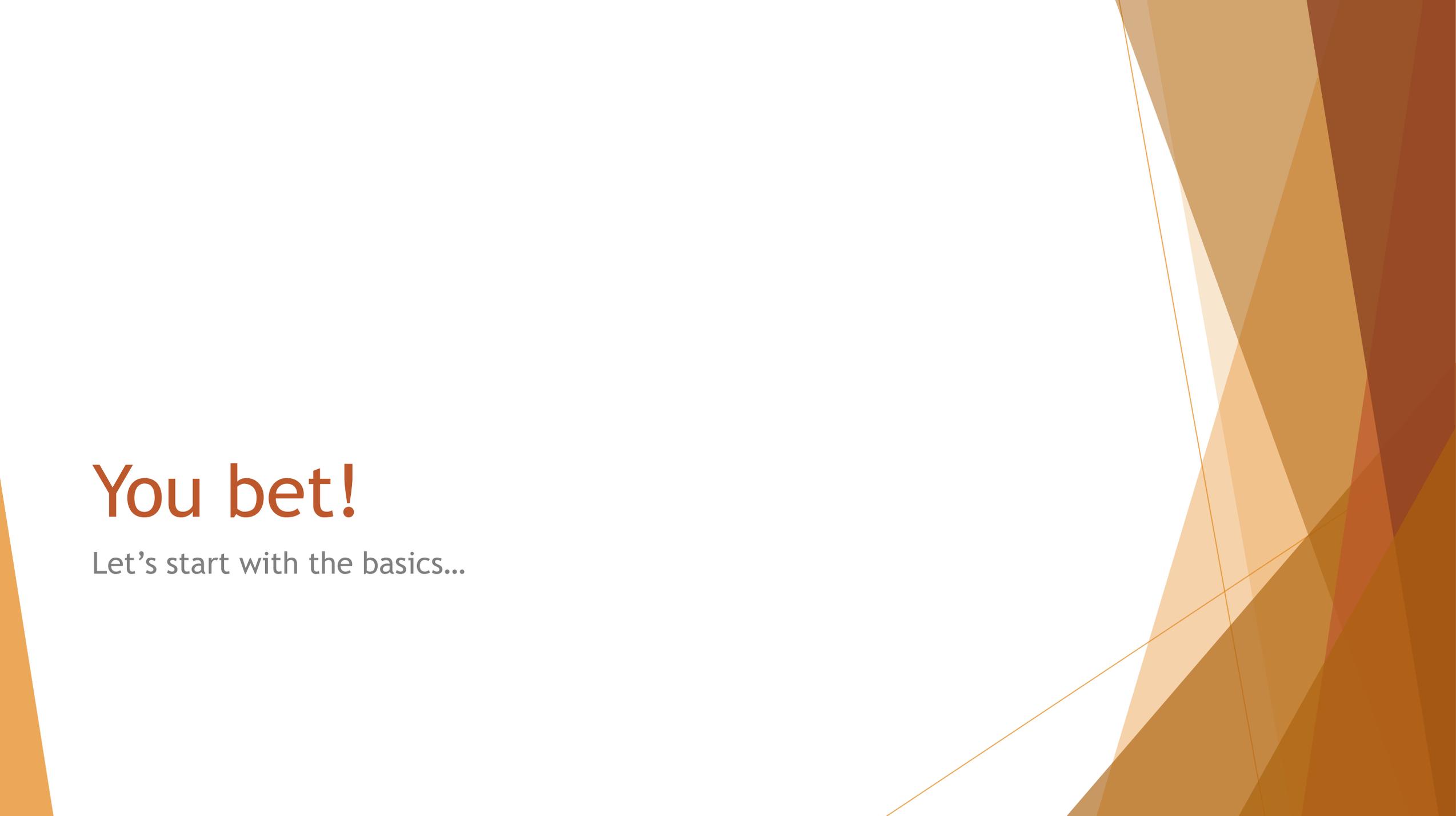
Then, who or what is an entrepreneur?

- Do you know any?
- Go ahead, shoot!

- Do they have any common traits?

Entrepreneurs are nothing special

- ▶ Someone who notices an opportunity and follows it through
 - ▶ The difference? Tools, know-how, attitudes.
 - ▶ A good nose?
 - ▶ Develop technical skills
 - ▶ Monitor the market
 - ▶ Know your shit and keep your eyes open!
- ▶ Can this be learned?



You bet!

Let's start with the basics...

Opportunity

- ▶ A situation where I can use my knowledge, abilities, or resources, to solve someone's problem.
- ▶ How do opportunities arise?
 - ▶ Good timing
 - ▶ Technical or technological advantage
 - ▶ They can be detected --- Deep knowledge of the market
 - ▶ Consumers
 - ▶ Competition
 - ▶ Global trends
 - ▶ Luck

You will never be a successful entrepreneur if you...

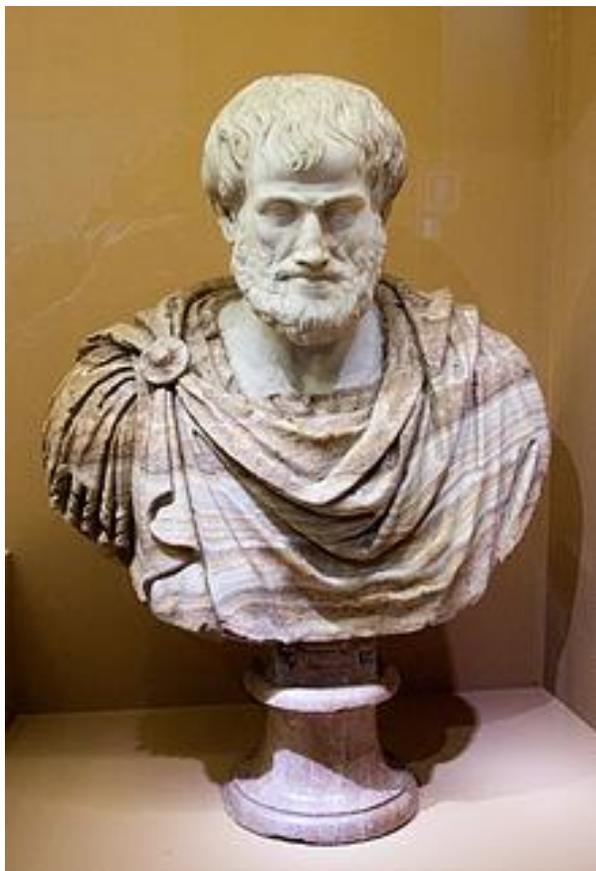
- ▶ ... do not want to work harder than most people.
- ▶ ... cannot handle failure and rejection, give up easily.
- ▶ ... do not take advantage of criticism and feedback.
- ▶ ... do not believe in your ideas with a deep passion.
- ▶ ... cannot change your mind when new evidence arises.
- ▶ ... cannot cooperate and work within a team.
- ▶ ... do not enjoy helping others.

Innovation

- ▶ Cutting-edge technology?
- ▶ The Cloud?
- ▶ Groundbreaking discoveries?
- ▶ New Paradigms?
- ▶ The Next Wave?
- ▶ The Internet of Things?
- ▶ Killer Apps?
- ▶ The Frontier?
- ▶ Big Data?
- ▶ Block chain?

NO!

Innovation



Innovation

▶ *Kairos*

- ▶ “a passing instant when an opening appears which must be driven through with force if success is to be achieved.”

(From E. C. White, *Kaironomia: on the will to invent*, 1987)

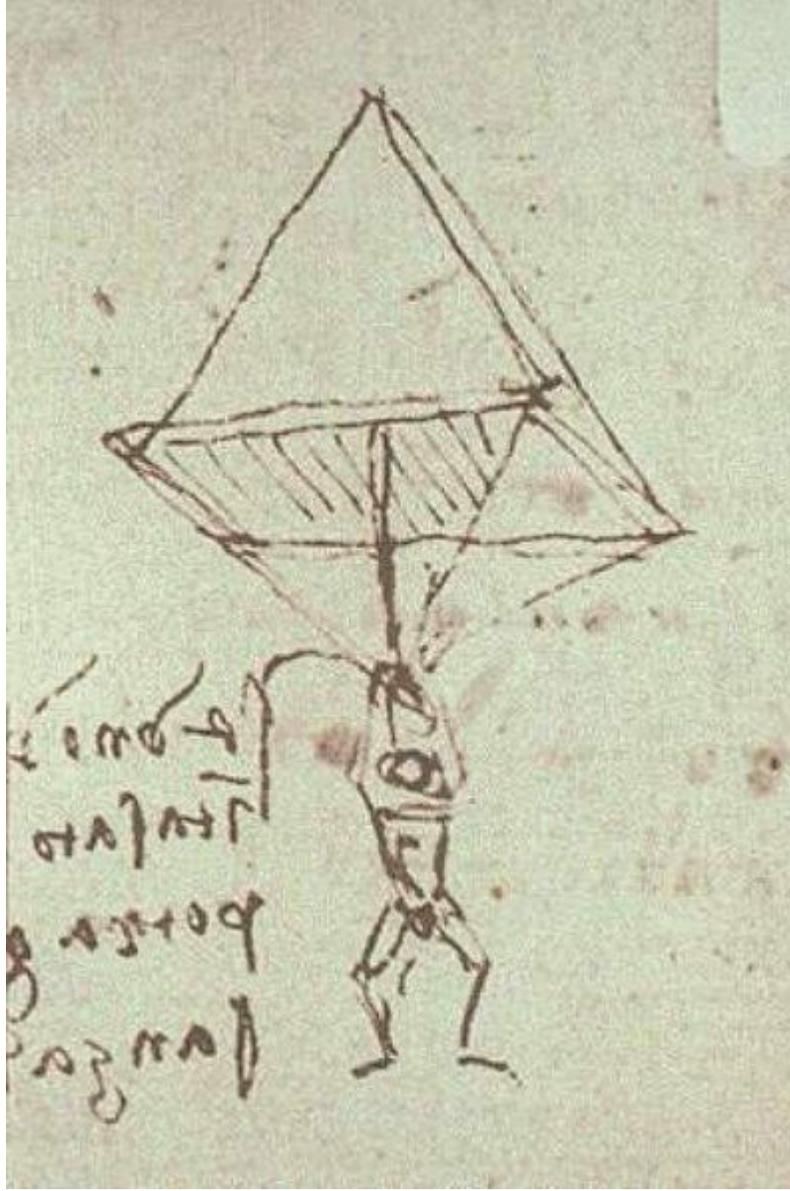
- ▶ the moment in which an arrow may be fired with sufficient force to penetrate a target.

(from Wikipedia)

- ▶ Doing the right thing at the right time.

Innovation







Then...

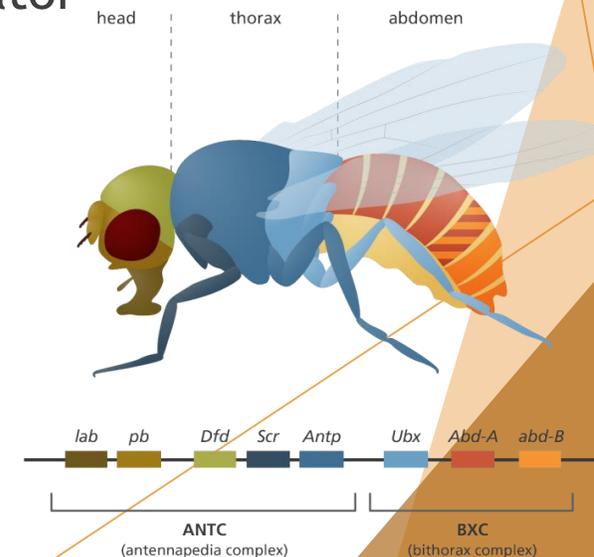
- ▶ Is an **INVENTION** an innovation?
 - ▶ Only if it satisfies a specific need.
- ▶ And what about an **IDEA**?
 - ▶ Only if it is translated to a good or service.
- ▶ Is something **UNIQUE** and **NOVEL** an innovation?
 - ▶ Only if it can be replicated economically to cater a determined market.
- ▶ Only if they generate **VALUE** for the society!

Innovation ≠ Creativity

- ▶ What makes them different?
 - ▶ Focus on value
 - ▶ Economic replicability
 - ▶ “Materiality”
- ▶ Creativity is about bold, unconventional, big ideas
- ▶ Innovation feeds from creativity but seeks a sustainable way to introduce it into the system
 - ▶ **Innovation = Creativity × Execution**

Entrepreneurship \neq Innovation

- ▶ A burger stand owner next to a university is an entrepreneur.
 - ▶ Is he an innovator?
 - ▶ Can he become one? How?
- ▶ A genetist coding the genome of fruit flies is an innovator
 - ▶ Is he an entrepreneur?
 - ▶ Can he become one? How?

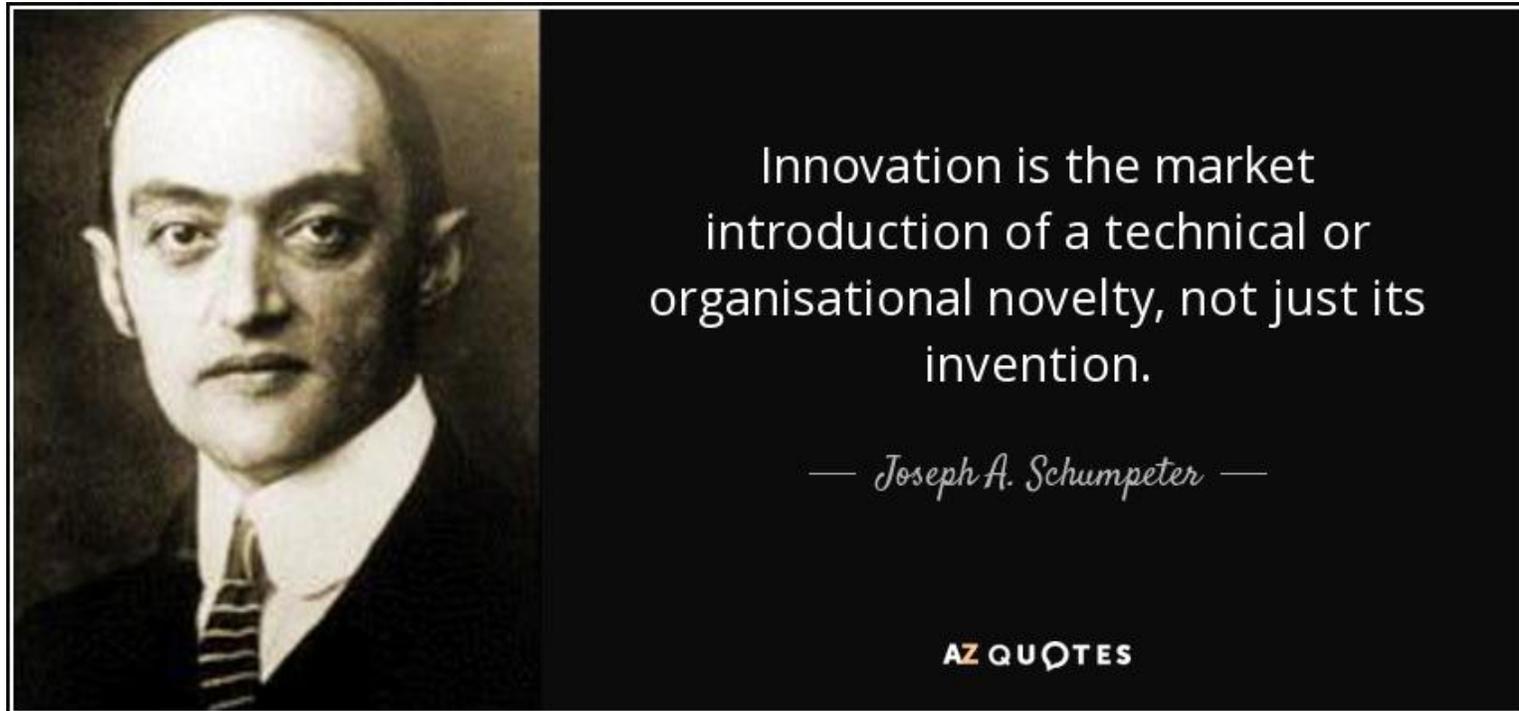


Entrepreneurship ≠ Innovation

- ▶ Innovation is also about opportunities
 - ▶ Emphasis on finding **new ways** to solve old problems.
- ▶ Innovation is knowledge intensive
 - ▶ But just because that's how you find an opportunity
 - ▶ Knowing the customers, rivals, suppliers, etc.
- ▶ They really are entwined
 - ▶ Competitive advantage

Entrepreneurship and Innovation

- ▶ The process of transforming an idea into a good or service that creates value in a sustainable way.



Therefore...

▶ In

▶ E

▶ H

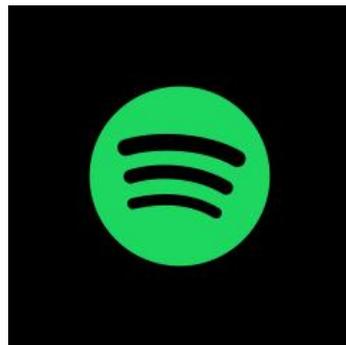


Innovative Entrepreneurship? Entrepreneurial Innovation?

- ▶ Innovation in businesses arises from
 - ▶ **Revolutionary changes**
 - ▶ New ways to understand and address the problems of the world.
 - ▶ **Evolutionary processes**
 - ▶ Cheaper,
 - ▶ Faster,
 - ▶ Better...
- ▶ Two forms of **generating value**.

What is “business model innovation”?

- ▶ When you innovate in at least two of the components of a business model
 - ▶ Who buys it and where (Customer + Channel = BMI)
 - ▶ What they buy and how it is sold (Product + Channel = BMI)
 - ▶ What they buy and how is it manufactured (Product + Production = BMI)
- ▶ The most sustainable and impactful/feasible type of innovation



Value

- ▶ How much am I willing to pay for it to ease my pain.
 - ▶ Solve a problem
 - ▶ Find a more efficient way to allocate resources
 - ▶ Show me a necessity I was unaware of
 - ▶ Give something old a new use
 - ▶ Transform reality

Homework

- ▶ Find examples for each of those 5
 - ▶ At least one or more service/product for each type
 - ▶ Individually
 - ▶ Be original!
- ▶ Food for thought:
 - ▶ Does novelty guarantee value is being created?
 - ▶ Yes/No, justify your position with arguments and examples. A short essay.
- ▶ Be prepared to talk, present and debate.
- ▶ You will submit via email or on paper before the class starts.



How can we generate value in a
sustained and sustainable way?

Innovating

Business Plan

- ▶ The be-all, end-all path to fame, fortune, success, and happiness?
- ▶ Sorry to disappoint:
 - ▶ **A detailed, complete, step-by-step outline of how to seize a particular opportunity.**
 - ▶ The resources and activities necessary to transform an idea into reality.
- ▶ The business plan essentially answers one big question you already know...

How do we sell this?

Business Plan vs. Business Model

- ▶ A business plan is not a recipe
 - ▶ Jazz not baking
 - ▶ The photo of a business model (What, how and who you sell to)
- ▶ A business model is a **tried-and-true** strategy to capitalize on an opportunity
 - ▶ Franchise, Freemium, PWYW, Leasing, Direct sales, etc.
- ▶ A business plan is time, project, and **context-specific**
- ▶ You can adopt/follow a business model

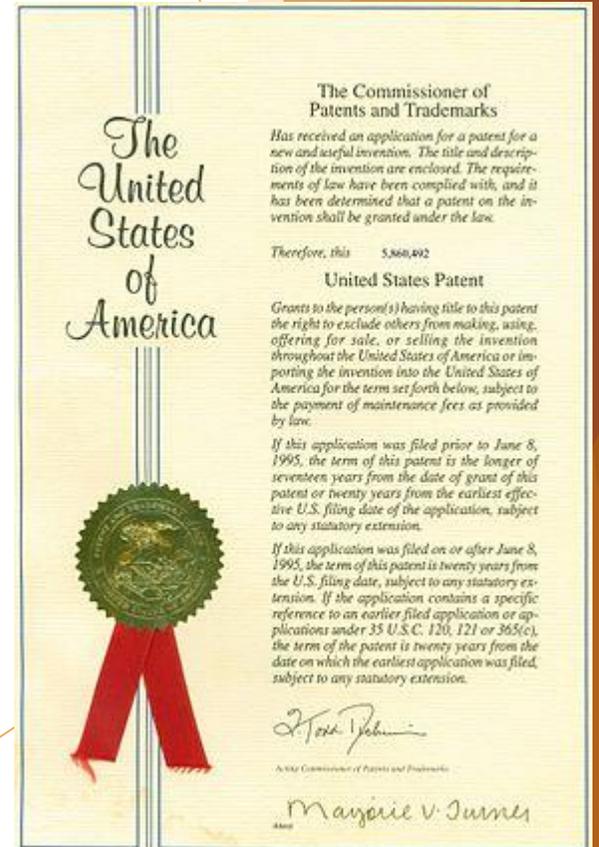
How do we sell this?

- Describe (in two minutes or less) what IT is.
- How do you plan to build IT?
- Who will buy IT and how much would they pay for IT. How do you reach them?
- What about the money?
- When can you make it happen?

- Value Proposition
- Resources
- Customers
- Funding
- Validation

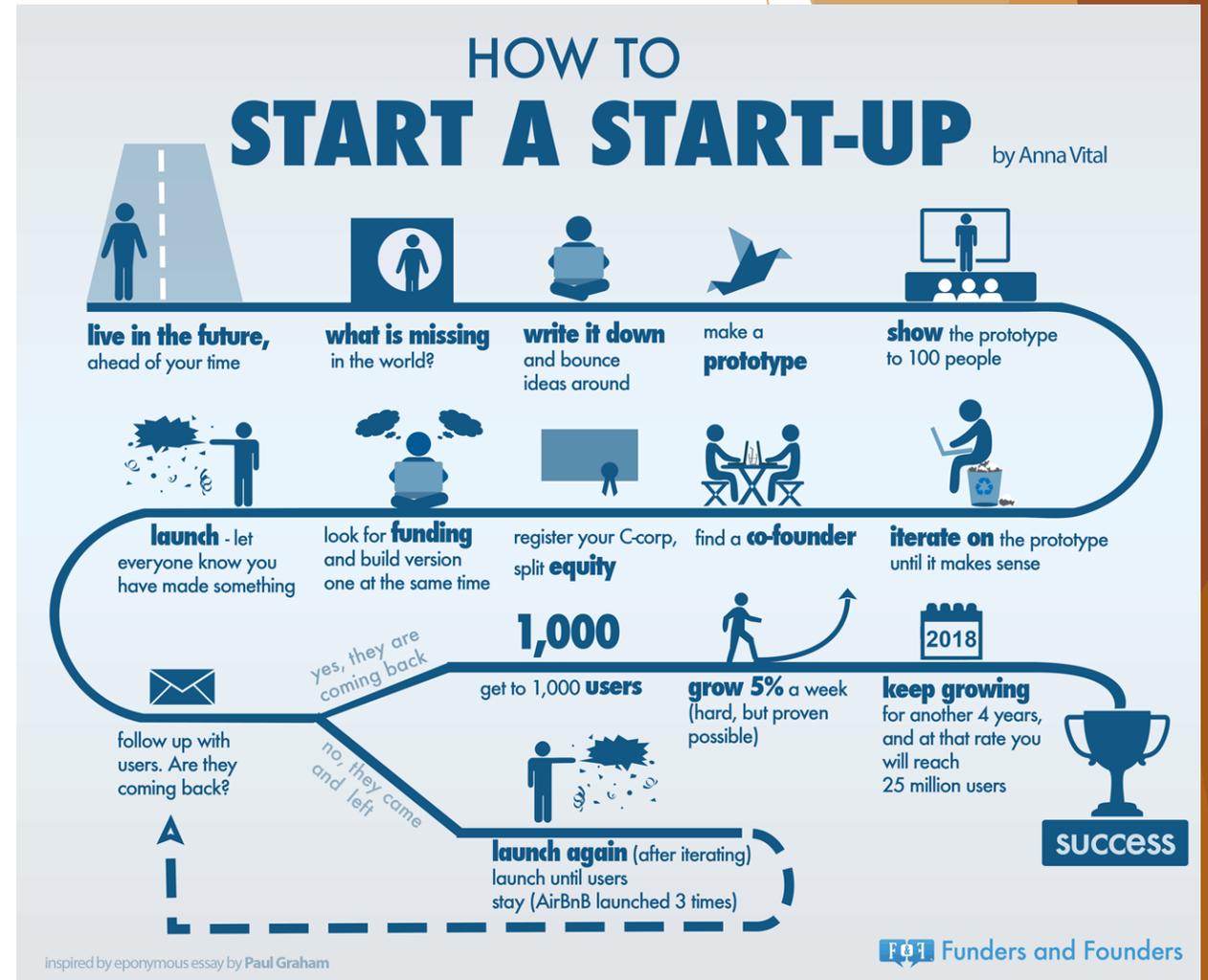
What is a patent?

- ▶ A legal instrument
- ▶ To incentivize research efforts
- ▶ Providing the holder exclusive exploitation rights over the invention for a limited time



What is a start-up?

- ▶ Not (quite) a bar
- ▶ Any non debt-funded new venture



You now know all the theory you need for this class!!!

Time to get real:

1. Start searching for ideas, these tools will help you
2. Talk to other people, you need a team ASAP.

What are the stakes?

- ▶ You decide!!!
- ▶ In terms of a pure learning experience : 20 - 30 Million COP
- ▶ If you really take it seriously
 - ▶ Microfútbol sports shoes
 - ▶ DIY cosmetics for mature women
 - ▶ Innovation lab
 - ▶ Design and architecture collaborative learning platform
 - ▶ Two or three of the ideas are actually being pursued



Step 1

- ▶ Find the most useless object/good/product you have at home
 - ▶ Individually prepare three cards
 - ▶ Card 1: A picture or sketch to show us what it is.
 - ▶ Card 2: Write down in a short phrase what it does.
 - ▶ Card 3: Write down why you bought it.
- ▶ You will submit the three cards at the beginning of the class.

Step 1 - Two examples



An ornamental,
multi-colored lava
lamp.

It looks cool.



A plastic instrument
to squash insects.

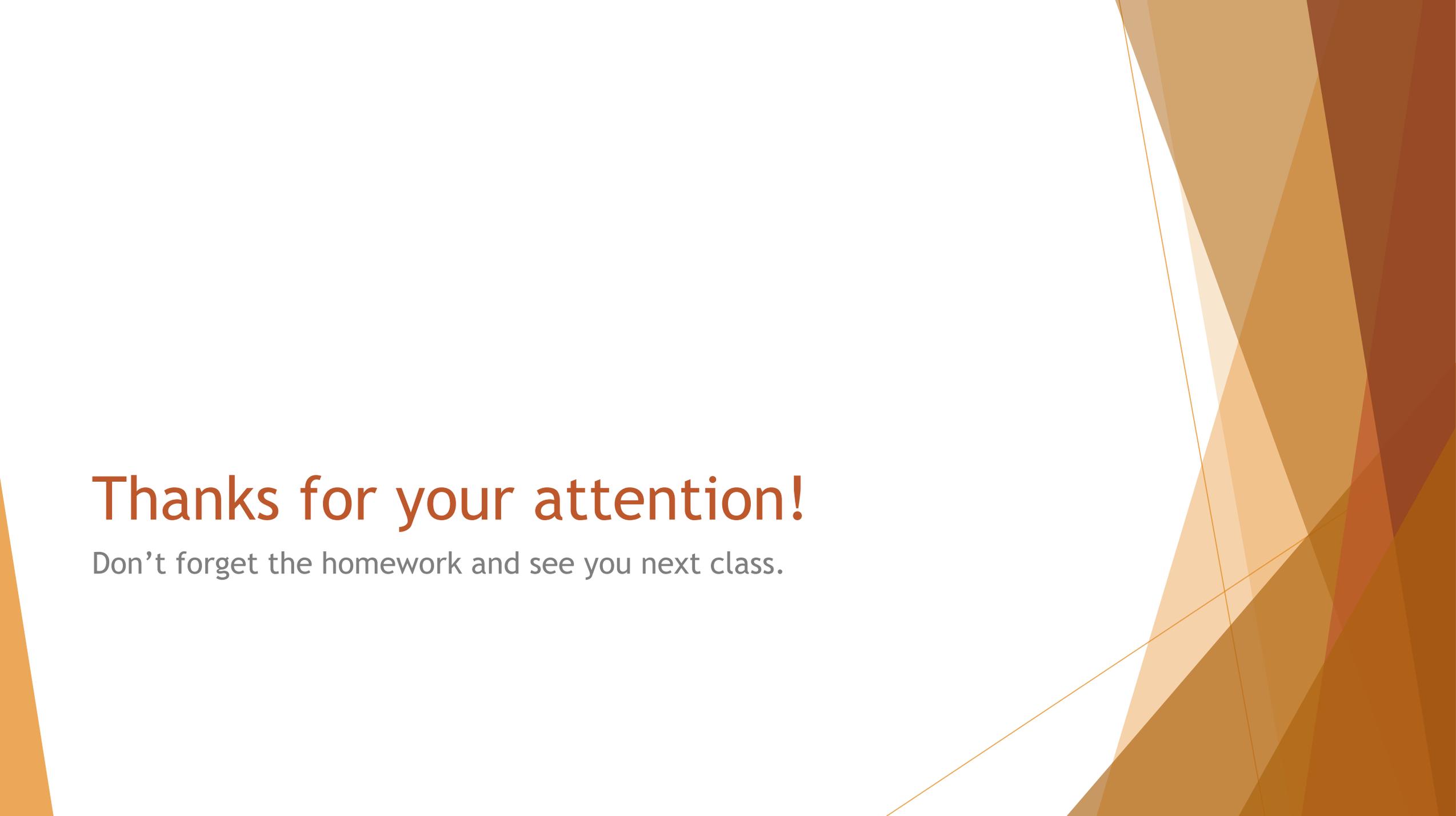
I was afraid of Zika
virus.

You have four homeworks

- ▶ Those labelled as “Homework”
 - ▶ Slide 51
- ▶ Those labelled as “Step X”
 - ▶ Slides 62 and 63
- ▶ The “flipped classroom” material.
 - ▶ The two short videos to watch: An orgy of innovation and Everything is a remix.



“Are you crazy?”



Thanks for your attention!

Don't forget the homework and see you next class.