

# ENTREPRENEURSHIP AND INNOVATION

Class 1 - Introductions, formalities, and a quick overview

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Pontificia Universidad Javeriana in Bogotá, Fall 2017

# The 5 Ws

- ▶ Javier A. Rodríguez-Camacho, Ph.D.
- ▶ Mondays, 6:00 pm to 7:30 pm & 7:45 to 9:00 pm
- ▶ Room SA027-P301
- ▶ No T.A. (Monitor)
- ▶ [rojavier@javeriana.edu.co](mailto:rojavier@javeriana.edu.co)
- ▶ <http://jrodriguez6.weebly.com/teaching.html>



Pontificia Universidad  
**JAVERIANA**  
Bogotá

YES

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

How do they do it?

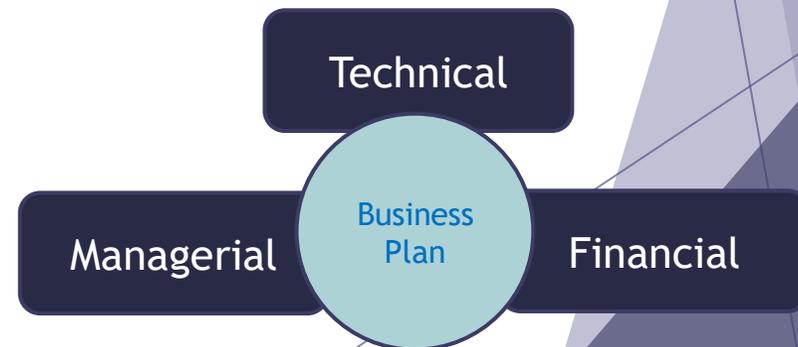
→ Business Model

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?

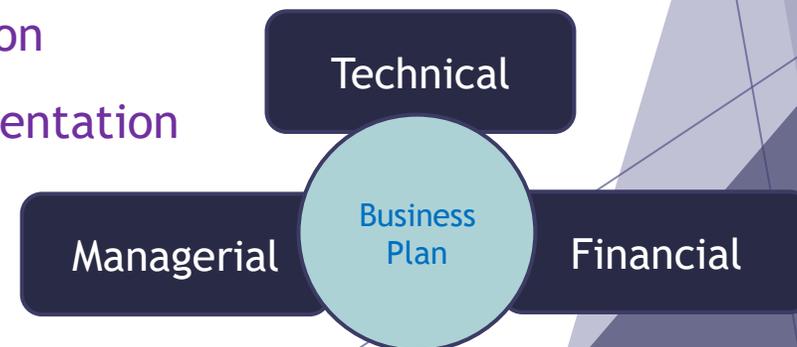
→ Value Proposition

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!**

Empty buzzwords  
are banned!!!

Start-up

Spin-off

Quality

Visionary

Innovation

Social Media

Empower

App

Technology

Lean

Big Data

Millennials

Positioning

# How do I sell this?

There are two caveats, though.



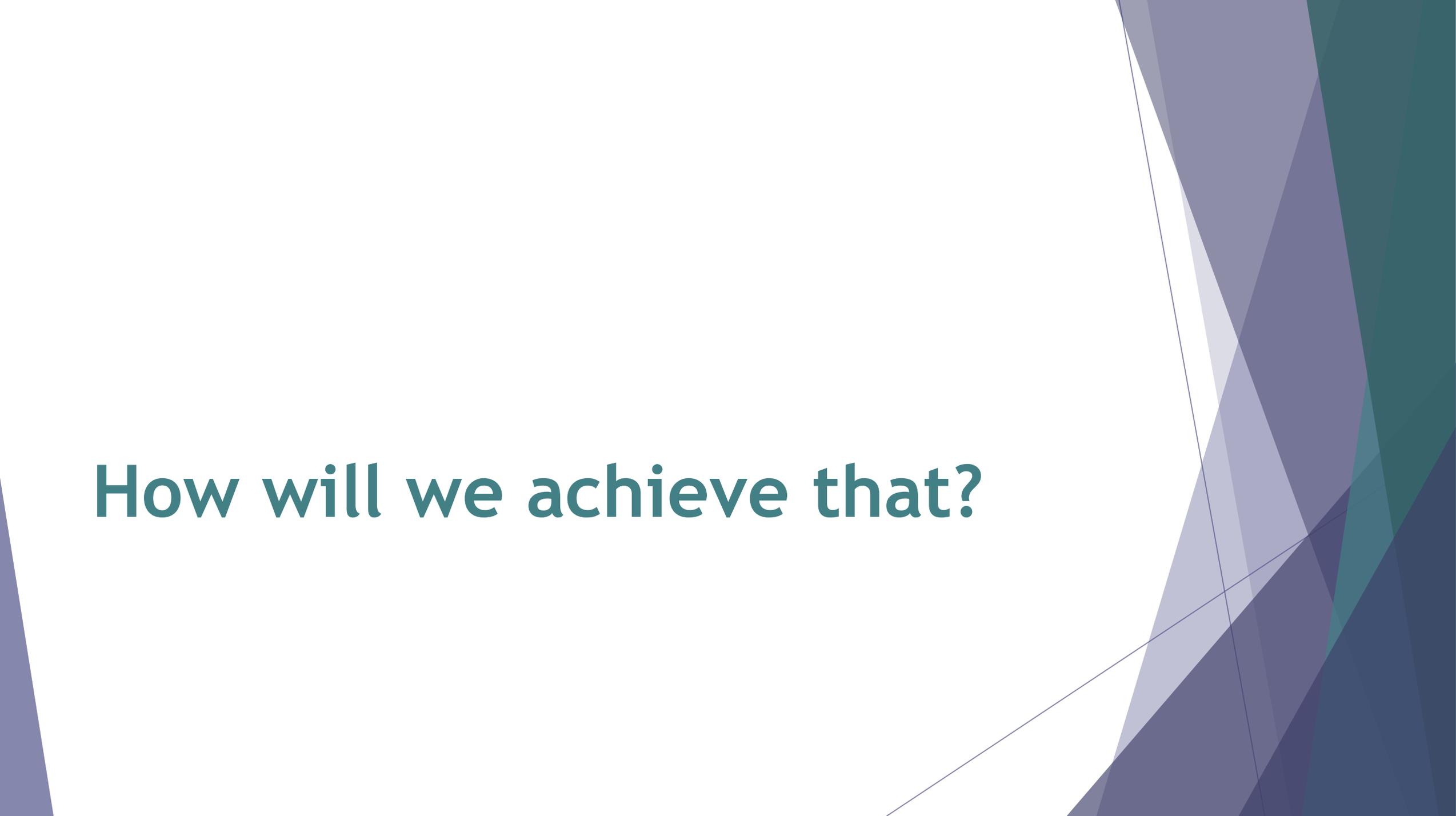
## This is an entrepreneurship class

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

- ▶ [http://jrodriguez6.weebly.com/uploads/6/1/5/6/61560535/programa\\_innovacion\\_2017\\_-\\_ii.pdf](http://jrodriguez6.weebly.com/uploads/6/1/5/6/61560535/programa_innovacion_2017_-_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

- ▶ 31/07 : Individual pitching session
- ▶ 14/08 : Partial Exam
- ▶ 04/09 : First Presentation (Primera Entrega)
- ▶ 23/10 : Second Presentation (Segunda Entrega)
- ▶ 20/11 : Final Exam
- ▶ TBA : Feria del Emprendimiento

# What to do with all these holidays?

- ▶ We have six clashes:
  - ▶ 07/08, 21/08, 16/10, 06/11, 13/11 (Holidays)
  - ▶ 30/10 (Sorry)
- ▶ We need to move at least some of these:
  - ▶ When?
  - ▶ Online and one-on-one meetings.

# 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.
- ▶ Does not necessarily imply creating a new organization.

# 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
- ▶ An opportunity well identified and captured through value leads to many long-term interactions

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

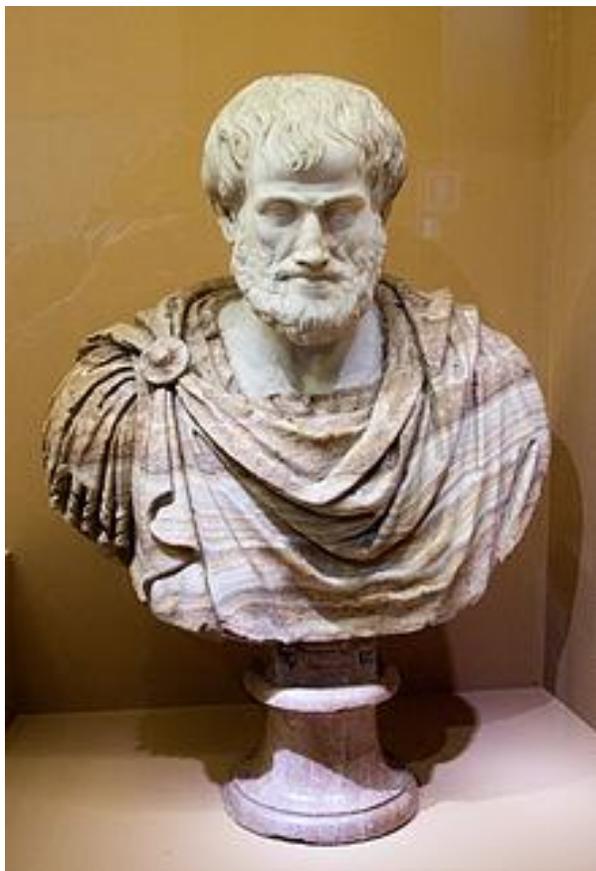
- ▶ ... do not want to work harder than most people.
- ▶ ... cannot handle failure and rejection, give up easily.
- ▶ ... do not take advantage of criticism and feedback.
- ▶ ... cannot change your mind when new evidence arises.
- ▶ ... cannot cooperate and work within a team.
- ▶ ... do not believe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

**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** and 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!

# Entrepreneurship $\neq$ 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

# 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?

# Yet...

- ▶ Innovation makes no sense without entrepreneurship
  - ▶ Pipe dreams, far-fetched delusions, wet paper...
- ▶ Entrepreneurship without innovation is doomed
  - ▶ Competitive advantage disappears...
- ▶ ... Hence the name of this course.

# 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.

# 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.

# 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
- ▶ 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

# 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**

# 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

# 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.

# 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.

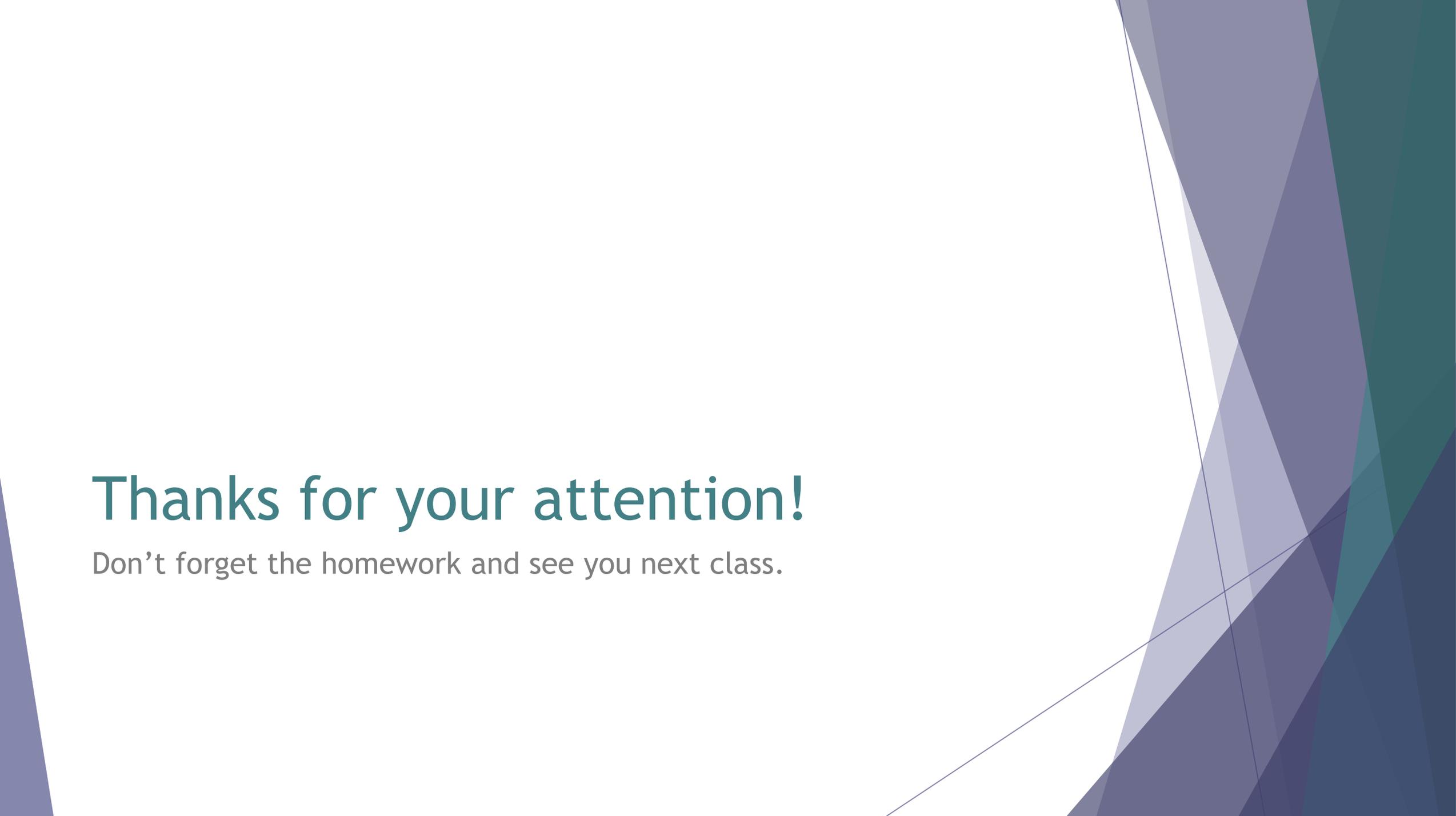
I was afraid of Zika  
virus.

# You have three homeworks

- ▶ Those labelled as “Homework”
  - ▶ Slide 39
- ▶ Those labelled as “Step X”
  - ▶ Slide 46
- ▶ The “flipped classroom” material.
  - ▶ The videos to watch.



“Are you crazy?”



# Thanks for your attention!

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