

Entrepreneurial Activities

PhD Program In Electrical and Computer
Engineering
Course: Entrepreneurship Methods

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Objectives

- **Introduction** to entrepreneurship;
- **Technology** and its **impact** in the modern world;
- Overview of the **technological and industrial evolution**;
- Entrepreneurship situation in Portugal.

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Introduction to entrepreneurship

- To Show the **importance** of entrepreneurship;
- To Characterise the **profile** of entrepreneur;
- To Show the entrepreneurship **behaviours**;
- To Identify the most important entrepreneurship **motivations**.

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Entrepreneurship Definition

Entrepreneurship

Intrapreneurship

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Entrepreneurship

Definition

- **Entrepreneurship**

- Who develop one enterprise through an **innovation**. The innovation is the **central dimension** of the entrepreneur (Schumpeter, 1934);

- **Intrapreneurship**

- Who develop one unit of business with **an innovation** (Schumpeter, 1934). Innovation **inside enterprise**.

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Entrepreneurship

Its Importance

World **Phenomena**

Provides **Opportunities**

Part **Human Dream**

Creates **Hope**

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Entrepreneurship

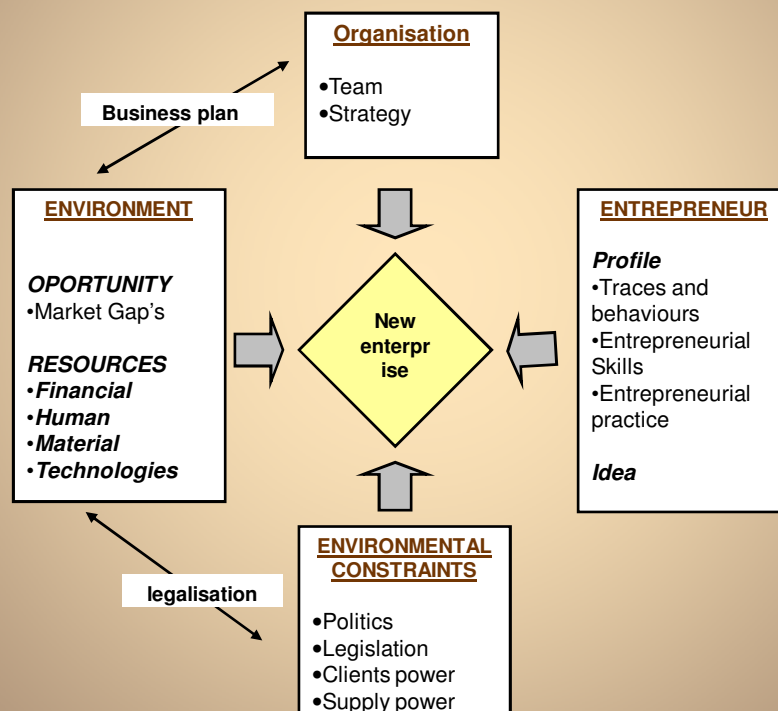
Its Importance

- The economic cycles and the **changes in the world**;
- The **employ in the world** is decreasing – because the efficiency is increasing – people need to create the own employ;
- The **consumers exigencies** (demands) are increasing – the innovation is one exigency;
- The **social changes** and the new values in our life – the risk in the societies;
- The **Small Enterprises** are increasing in the world
 - Services and outsourcing are increasing;
 - In Portugal they are near of **99%** - in EU are 95% - following the criteria of IAPMEI, the small enterprise are characterised by:
 - micro enterprise <10;
 - little enterprise between 10 and 49;
 - media enterprise between 50 and 250;

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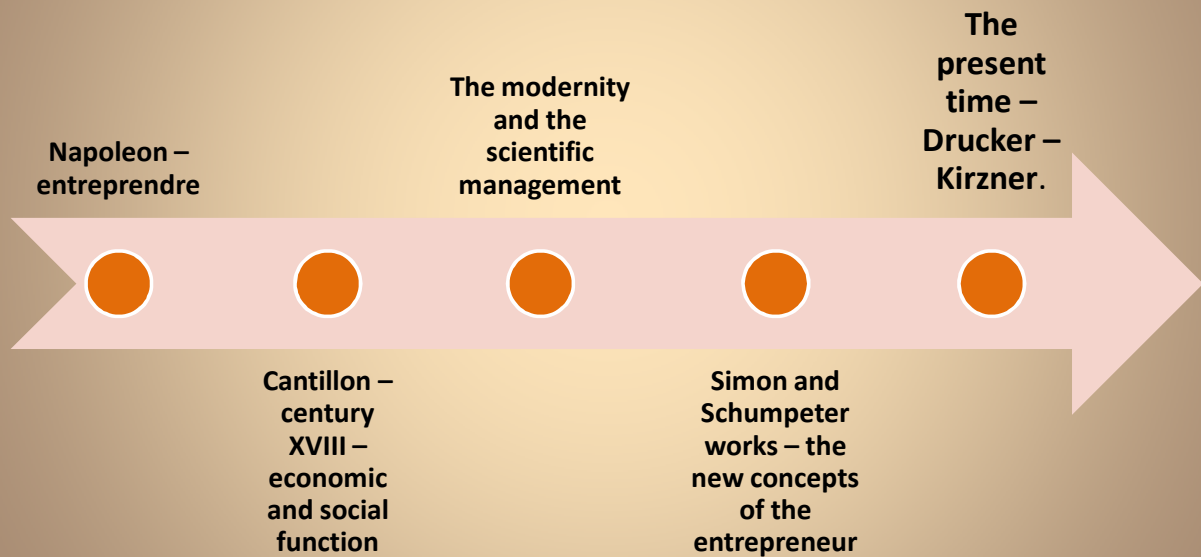
Dimensions to create an enterprise



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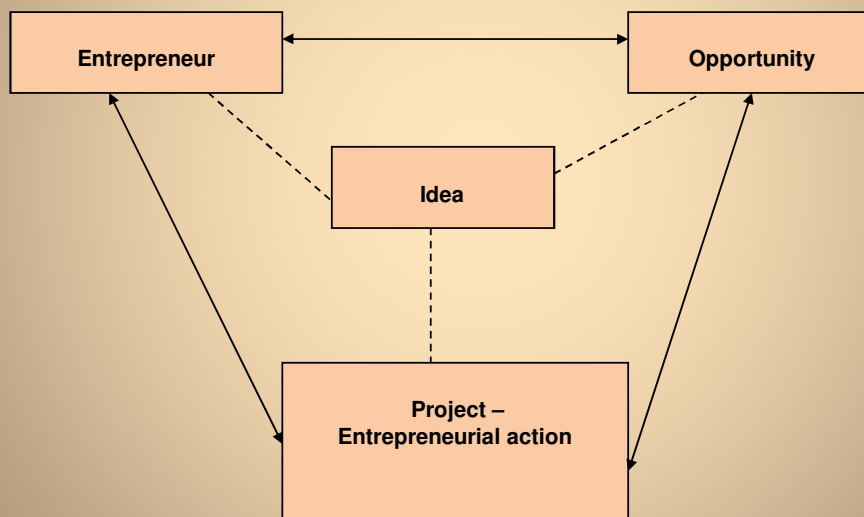
Entrepreneurship

History



Entrepreneurship

A Process



Entrepreneur

Adopted forms

- **To create** a new business;
- **To inherit** a business (enterprise);
- To enter in a business as **a partner**;
- **To buy a business** (enterprise) – one form is the management by out;
- **Franchising**;
- And so on

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Entrepreneur

Concept

To take decisions

- In uncertain contexts with limited information;
- That imply to estimate resources and compare them with the resources of environment;

Take calculated risks.

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Entrepreneur

Concept and Profile

- One entrepreneur is different from one not entrepreneur?
- People **not born entrepreneur** – we can learn to be entrepreneur – **formation and education** are very important;
- It is important to **have some traits**, but it is not determinant to be entrepreneur;

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Concept and Profile

- **The personality traits – the most important are the following:**
 - To take risks;
 - To tolerate uncertainty;
 - Independence;
 - To need for achievement;
 - To take initiatives;
 - Internal locus of control (oriented by himself);
 - To search information – news about the business and its environment;
 - To have strategic think.

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Concept and Profile – entrepreneurial behaviours

- The **technical skills** of the sector – are they determinants?
- The **experience in management** is determinant to create a business?
- It is more important to **acquire experience**
 - To have been entrepreneur in the past is very important;
 - The **successful entrepreneurs in Portugal** were entrepreneurs in the past;

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Concept and Profile

- **The gender** of the entrepreneur
 - Why we found more entrepreneurs from the male gender?
- **The education level** of entrepreneur
 - The education level that provide more entrepreneurs is the **secondary level**;
 - Why the **superior level** not provide so much entrepreneurs?

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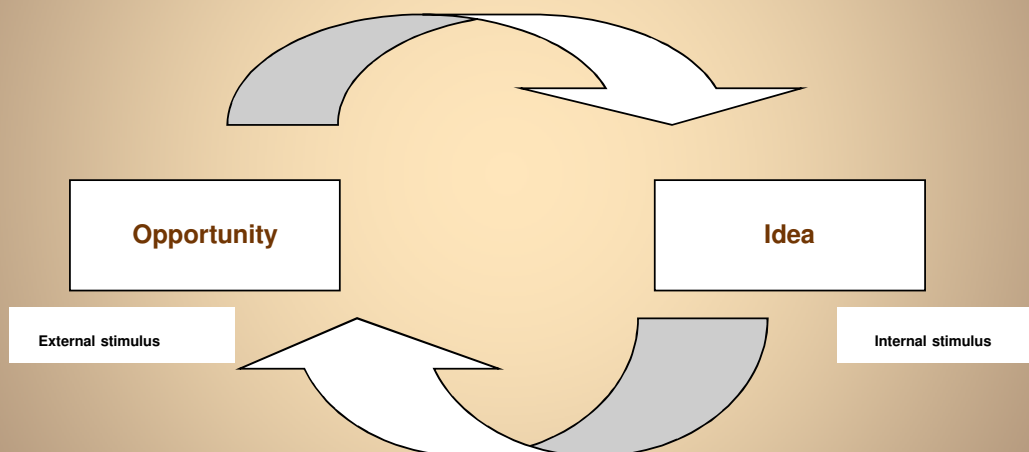
Entrepreneur

Entrepreneurial motivations

- What are the most important entrepreneurial motivations?
- A desire for **independence** - to control my own time – to have considerable freedom to adapt my own approach to work;
- A desire to **self development** – need for achievement;
- A desire to **create something new**;
- A desire to **advance in status** – social promotion – need for approval;
- A desire to **provide security** for self and family;
- A desire to **take advantage of an opportunity** that appeared;
- And so on.

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Technology and its impact in the modern world



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Technology and its impact in the modern world

Opportunities – two actual views

- The view of **Innovation** (Schumpeter, 1934)
 - Unbalanced society;
 - Always new information's;
 - Great innovation's;
 - Infrequent;This view **involve** always a **new creation**;
- The view of **Emergence** (Kirzner, 1973, 1985 e 1997)
 - Balanced society;
 - They don't need new information's;
 - Less innovation's;
 - Vulgar;
 - Limited in innovation's;The **opportunity is in the market** not in a new creation.

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Technology and its impact in the modern world

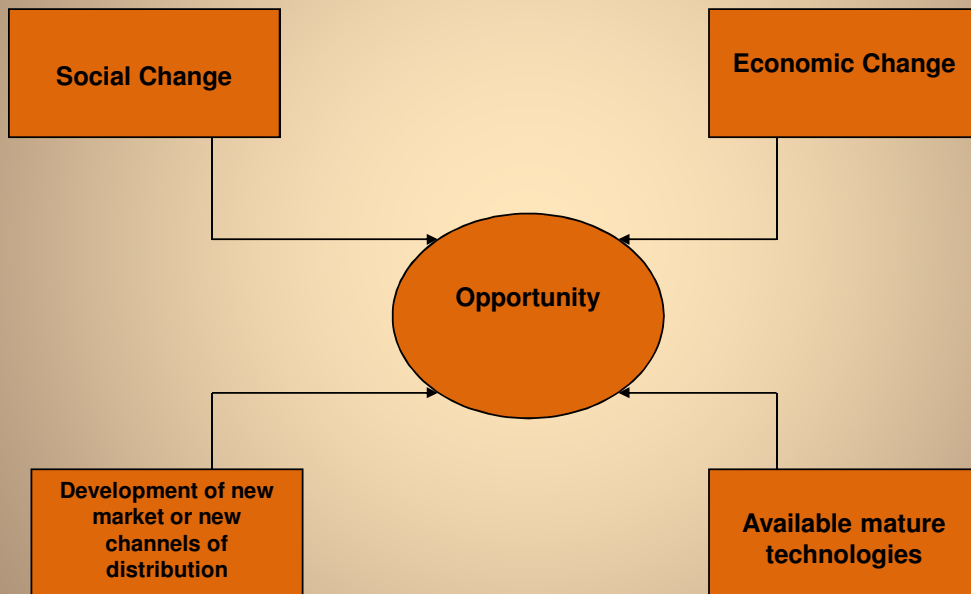
Opportunities

- The view of **Innovation** (Schumpeter, 1934)
 - The opportunity involve creation of **new information's**;
 - The new information's are came from of changes in:
 - **Technologies** – new technologies – research in centres;
 - **Politics** power;
 - Regulations of the market – **news laws**;
 - **Social trends**;
 - **Macroeconomic** dimensions;
- The innovation and the entrepreneurship (Drucker, 1986)
 - **Innovation** is the **essence of entrepreneurship**

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Technology and its impact in the modern world

Opportunities



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Technology and its impact in the modern world

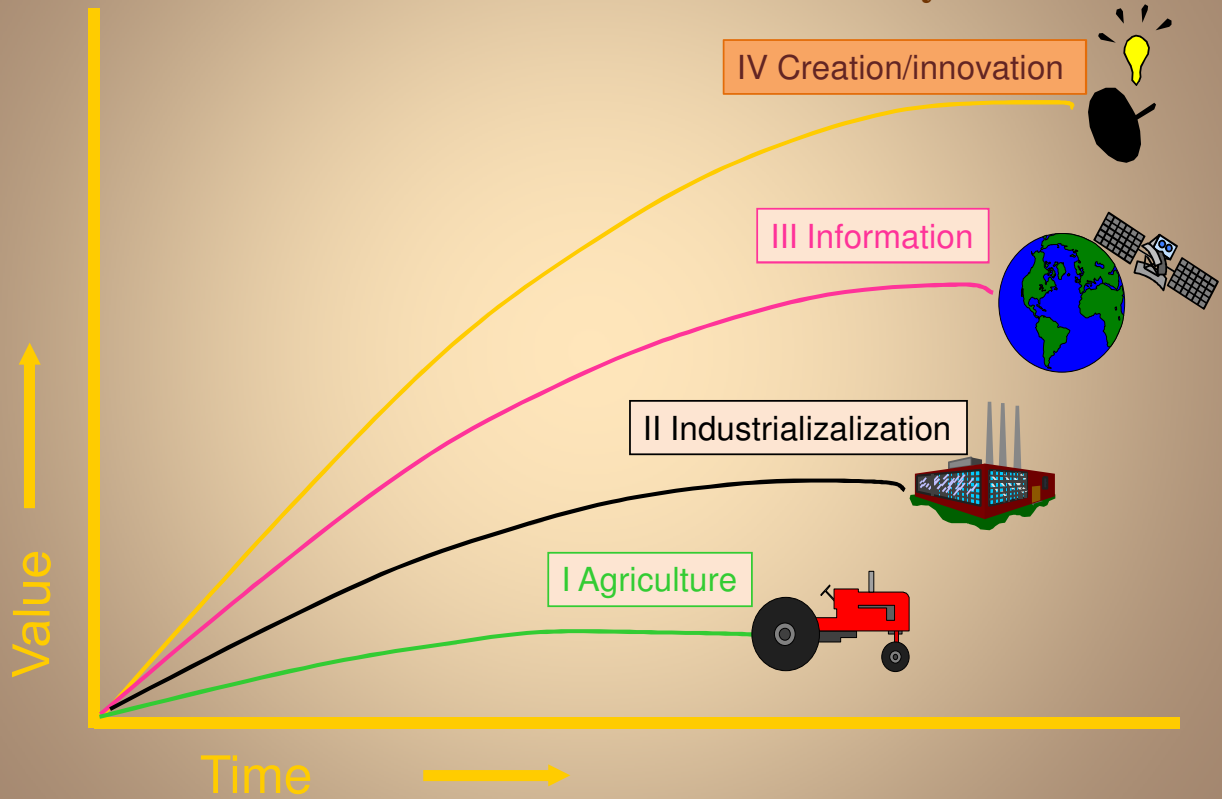
Technologies

- **Definition**
- **Types of technologies**
 - Generics;
 - Specifics of a Sector;
 - Specifics of a enterprise;
- The **new technologies** and the new enterprises.

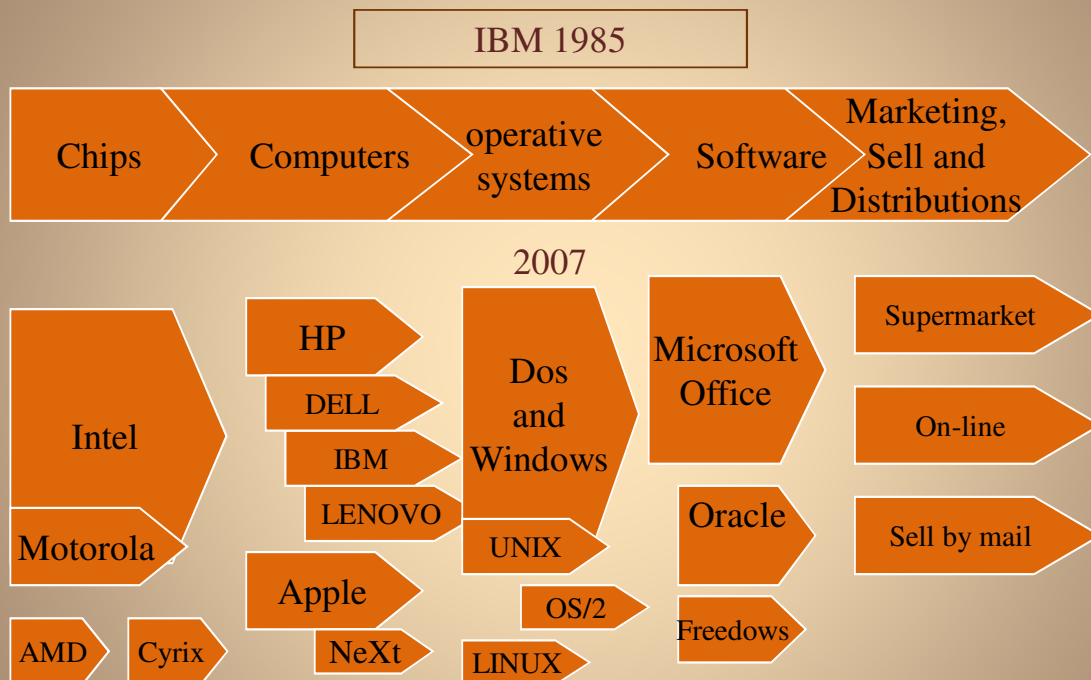
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Overview of the technological and industrial evolution

We are on the threshold of a new reality...

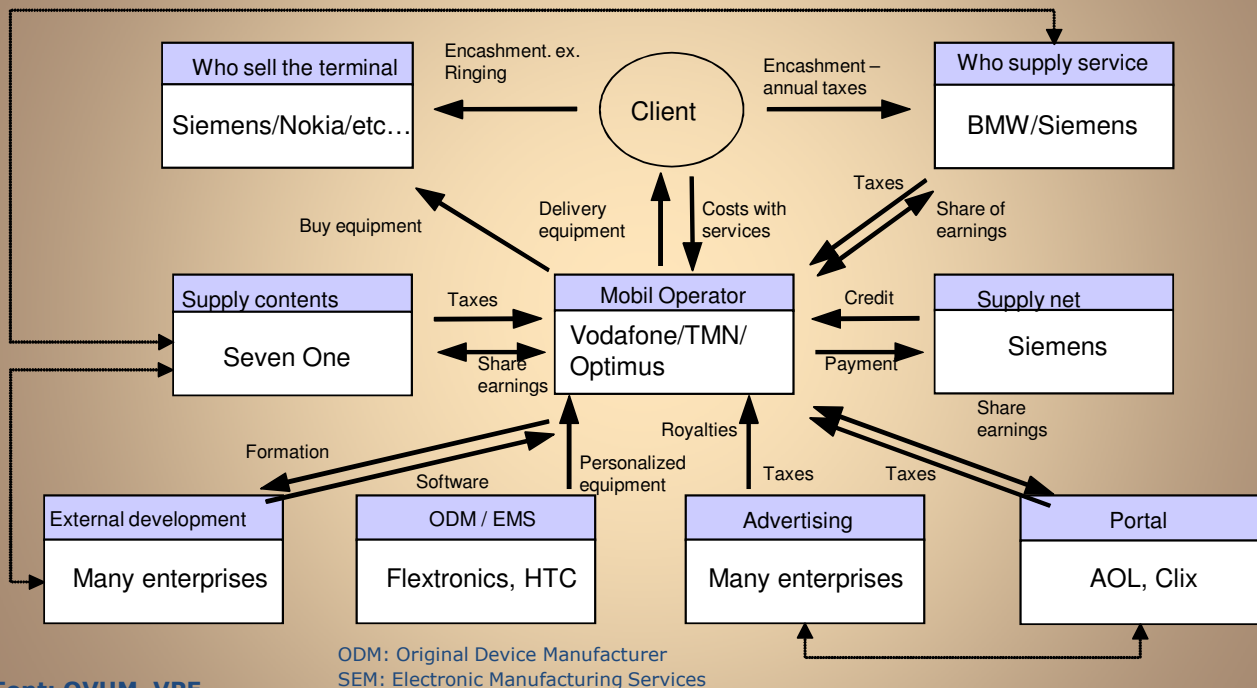


...A NEW ORGANIZATIONAL MODEL ...



Adapted from: Boston Consulting Group by Banha (2008)

...The changes in telecommunications!!! From simply systems to complex systems with value : new challenges with new business models



The new Mobil is not only to communicate, but also to hear music and radio, to accede to internet , to see and hear Audiovisual, to calculate, and a lot of new appliances.

Entrepreneurship

In Portugal – (GEM Portugal 2004)

- Only **4 entrepreneurs for every 100 adults** - 2004;
- **Reduction from 7** entrepreneurs per 100 adults in 2001;
- **Ranked 13th** of the 16 EU countries in GEM 2004;
- **Increasing to 9** entrepreneurs per 100 adults in 2007- the best classification in the EU;
- **In USA were 13** entrepreneurs for every 100 adults;
- The **formation has increasing** in Portugal – it is a great motivator to create enterprises.

Entrepreneurship

In Portugal – (GEM Portugal 2004)

- Entrepreneurs typically **driven by opportunity** rather than necessity in 2001, 2004 and 2007;
- More **nascent entrepreneurs** than baby-business entrepreneurs in 2001, 2004 and 2007;

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Entrepreneurship

In Portugal – Key Drivers (GEM Portugal, 2004)



Entrepreneurship

In Portugal – Key Drivers (GEM Portugal, 2004)

- **Financial Support**
 - Insufficient overall **financial support** for entrepreneurship;
 - **Government financial** support more adequate, but could be applied more effectively;
- **Government Policies and Programs**
 - High level of government awareness, but time-consuming **bureaucracy and inefficient interactions** between agencies and entrepreneurs.

Entrepreneurship

In Portugal – Key Drivers (GEM Portugal, 2004)

- **Education and Training**
 - Education system does not
 - Foster needs of entrepreneurship;
 - Prepare students to take advantage of business opportunities;
 - Promote creative or innovative thinking;
 - Increase university level courses on entrepreneurship;
 - In 2007 it was increased.

Entrepreneurship

In Portugal – Key Drivers (GEM Portugal, 2004)

- **R&D Transfer**

- Good R&D being performed, but weak links between R&D organizations and those wanting to commercially implement the developments;
- In 2007 this was increased.

- **Internal Market Openness**

- Portuguese market is open to new and growing firms, but costs to enter new markets may be beyond the capabilities of new and growing firms

Entrepreneurship

In Portugal – Key Drivers (GEM Portugal, 2004)

- **Commercial, Professional and Physical Infrastructure**

- **Excellent science parks** and business incubators
 - Increasing entrepreneurship activity;
 - Increasing likelihood of new firms succeeding;
 - Facilities should be spread evenly over the country;
- **Good commercial/professional infrastructure**, but cost of access can be beyond new firms.
- In 2007 this key was considered in lower level than other countries in GEM

Entrepreneurship

In Portugal – Key Drivers (GEM Portugal, 2004)

- **Cultural and Social Norms**

- Entrepreneurship in Portugal is limited by the national culture
- Population reluctant to take risks
- Failed entrepreneurs will not be offered another opportunity
 - In contrast, failure is seen as a learning experience in US
- In 2007 this key continued in a lower level than the others countries in GEM.