

# Entrepreneurship and innovation

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According to Wikipedia, The Doctor of Information Technology offers the research opportunity to extend knowledge of the discipline of information and communication technology and develops the attributes required to successfully identify, investigate and resolve problems and opportunities in today's IT industry.

Entrepreneurship is a micro driver of innovation and economic growth. What is meant by entrepreneurship, innovation and economic growth is often not rigorous or very distinctive.

This discussion will begin with the nature of entrepreneurship and its relation to innovation. We will then provide an overview of theory and research on the relation between entrepreneurship, innovation and economic growth.

## **Entrepreneurship defined**

What is meant with entrepreneurship and how does this relate to innovation?

Entrepreneurship and innovation are fuzzy concepts that have been given multiple meanings. Innovation and entrepreneurship are often regarded as overlapping concepts.

If entrepreneurs are defined to be persons who are ingenious and creative in finding ways that add to their own wealth, power, then it is to be expected that not all of their activities will deliver a productive contribution to society.

Many entrepreneurs do not directly contribute to an increase in for example national income: some entrepreneurship is more adequately characterized as a non-profit-seeking activity.

If we focus on the third option, that is, entrepreneurship that contributes to the economic and social well-being of a society, then it involves the development and renewal of change in society, economy or organization, which is based on micro-level factors. In this reality, 'entrepreneurship' means the creation of new economic activities and organizations as well as the transformation of existing ones ('corporate entrepreneurship').

In order to narrow down the discussion we would like to propose a working definition of entrepreneurship as the introduction of new economic activity by an individual that leads to change in the marketplace.

In line with our definition of entrepreneurship as the introduction of new economic activity by an individual that leads to change in the marketplace, we can formulate several necessary conditions for entrepreneurship:

1. Opportunities (environmental changes: technological, political/regulatory, and social/demographic)
2. Character (in their willingness and ability to act upon an opportunity)
3. Risk taking (does demand exist? can the entrepreneur compete with others?; can the value chain be created? etc.)
4. Organizing (exploiting the opportunity); either creating a firm, or using the market mechanism (for example, licensing)
5. Innovating: recombination of resources into a new form that is by implication not a perfect imitation of what has been done before and thus involves a change in the marketplace.

## **THE PRINCIPLES OF ACHIEVING ENTREPRENEURIAL GREATNESS**

Leaders are born not made is nothing but a myth. The roots of much of this thinking reflect the assumption and biases of an earlier era, when rulers were royal and leadership was the prerogative of the aristocracy. Fortunately such claims have not withstood the tests of time or inquisitiveness of researchers of leadership and management. It is widely accepted today that leadership is an extraordinarily complex subject, depending on the interconnections among the leader, the task, the situation, and those being led than on inborn or inherited characteristics alone.

### **The Entrepreneurial Mind**

- Commitment and determination  
With commitment and determination, an entrepreneur can overcome obstacles and also compensate for other weaknesses.  
The desire to win does not equal the desire to never give up.  
You must be tenacious and decisive, intensely competitive in achieving goals, persistent in solving problems, disciplined and willing to undertake personal sacrifice.
- Leadership  
A self-starter with high standards, team builder and hero maker, inspires others and treats them like he would want to be treated. Honest and reliable, builds trust and practices fairness.
- Opportunity obsession  
Distinguishes between idea and opportunity – Fills a need, a crisis, and improves an existing case, value creation and sustainability.

Every entrepreneur who starts a new business has ideas. The real challenge is to discover an opportunity that is more than just a good idea. These can be technological, social / demographic, and political / regulatory changes. First, technological change, often based on progress in the research base of society, is a prime source of entrepreneurial opportunities for new technology-based firms (for example in the ICT and biotech industries). Second, social and demographic changes can be quantitative changes like an ageing population that offers new opportunities for entrepreneurs. It may also involve more qualitative changes: changing preferences or wants, for example reflected in the rise the creative industries that satisfy new wants (e.g. EndeMol productions), or in the trend toward health and nutrition and the supply of diet and ecological food. In that sense people's necessities are few but their wants are endless. Third, deregulation, privatization, and liberalization have opened up many opportunities for entrepreneurship.

- Tolerance of risk, ambiguity and uncertainty  
Manages paradox and contradictions, tolerates uncertainty, stress and conflict, solve problems and integrate solutions
- Creativity, self-reliance and adaptability  
Original thinker, restless with status quo, quick learner, turns idea into action, able to conceptualize and sweat the details → innovate
- Motivation to excel  
Goal oriented, drive to achieve and grow, high but realistic goals