ENTREPRENEURSHIP

Monica Zimmerman, Ph.D., CPA
West Chester University
Entrepreneurship

- Creation of new businesses
- Small businesses
- Sole proprietorships
- Family owned businesses
- High growth businesses
- Franchise ownership
- Innovative established businesses
- Intrapreneurship
Intrapreneurship

- Creation and/or innovation within an existing business
- Examples of intrapreneurial companies
  - 3M
  - Apple Computer
- Need for intrapreneurship
Today we will discuss entrepreneurship in terms of

The creation of a new business
IDEA GENERATION

“How it all begins”
ENTREPRENEURIAL PROCESS

1. Idea Generation
2. Feasibility Study
3. Business Plan
IDEA GENERATION

- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
- Ideas to avoid
- Group exercise
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GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:

MARKET DRIVEN

- Solve a problem
  - Find a market need
  - Customer focused not product driven
- Targets an identified sizeable market segment
GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:

FEASIBLE

- Attractive – there is a demand
- Achievable – it can be done
- Durable – it lasts
- Value creating – it is worth something
- Safe
- Affordable
GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:

**UNIQUE**

- Faster/Better/Cheaper
- Differentiated (vs. commodity)
- They have a “Special Sauce”
GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:

**FUNDABLE**

- Revenue stream
- Manageable risk
- Sustainable - Market exists with frequency of purchase
- Scaleable or Replicable
- Barriers to entry
- Growth potential
- Product pipeline
- Exit plan
- Innovative
INNOVATIVE

Radical vs. Incremental

- Invention
- Extension
- Duplication
- Synthesis

1 Kuratko & Hodgetts, *Entrepreneurship: Theory, Process, and Practice*
GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE OFTEN BASED ON:

- Intellectual Property
  - Copyrights
  - Trademarks
  - Patents
  - Trade Secrets
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SOURCES OF GOOD ENTREPRENEURIAL IDEAS

- Talk to friends, family and other contacts
- Read
- Examine surroundings
- Consider your
  - Hobbies/activities
  - Education
  - Work Experience
  - Personal Life
- Network
SOURCES OF GOOD ENTREPRENEURIAL IDEAS

- Known needs not effectively met
- Geographic or business niches not currently served or under served niches
- Changes in
  - Market
  - Industry
  - Legal/ Political factors
  - Technology factors
Successful Entrepreneurs recognize an opportunity while it is still taking shape

Skate to where the puck \textit{will be} not where \textit{it is} or \textit{it was}.

O’Malia & Whistler, 2003
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GENERATING A GOOD IDEA

Avoid

- Unfavorable industries
- Unfavorable markets
- Crusades
- N of one
- One Hit Wonders
- Unsafe or illegal products/services
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GROUP EXERCISE

- Think of a business idea
- Think of an everyday problem and the solution for it
- Be creative - No idea is too obscure/crazy/simple
- One idea per group
- 5 minutes
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