

The background of the slide is an aerial photograph of a historic Italian city, likely Florence, showing a dense cluster of buildings with terracotta roofs. In the lower-left foreground, a large, prominent dome with a green patina is visible. The text is overlaid on a semi-transparent white rectangular area in the center of the image.

THE ENTREPRENEUR AND THE ENTREPRENEURIAL MIND-SET

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ACTIVITY

- Who is an Entrepreneur in your opinion?



THE ENTREPRENEUR

- Entrepreneur – An individual who takes initiative to bundle resources in innovative ways and is willing to bear the risk and/or uncertainty to act.
- Being an entrepreneur today:
 - Involves creation process.
 - Requires devotion of time and effort.
 - Involves rewards of being an entrepreneur.
 - Requires assumption of necessary risks.

ENTREPRENEURSHIP

- Entrepreneurial action - Behavior in response to a judgmental decision under uncertainty about a possible opportunity for profit.

THE ENTREPRENEURIAL MIND-SET

- Entrepreneurial Mind-Set
 - Describes the most common characteristics associated with successful entrepreneurs
- Successful entrepreneurs are:
 - Independent individuals, intensely committed and determined to persevere, who work very hard.
 - They are confident optimists who strive for integrity.
 - They burn with the competitive desire to excel and use failure as a learning tool.

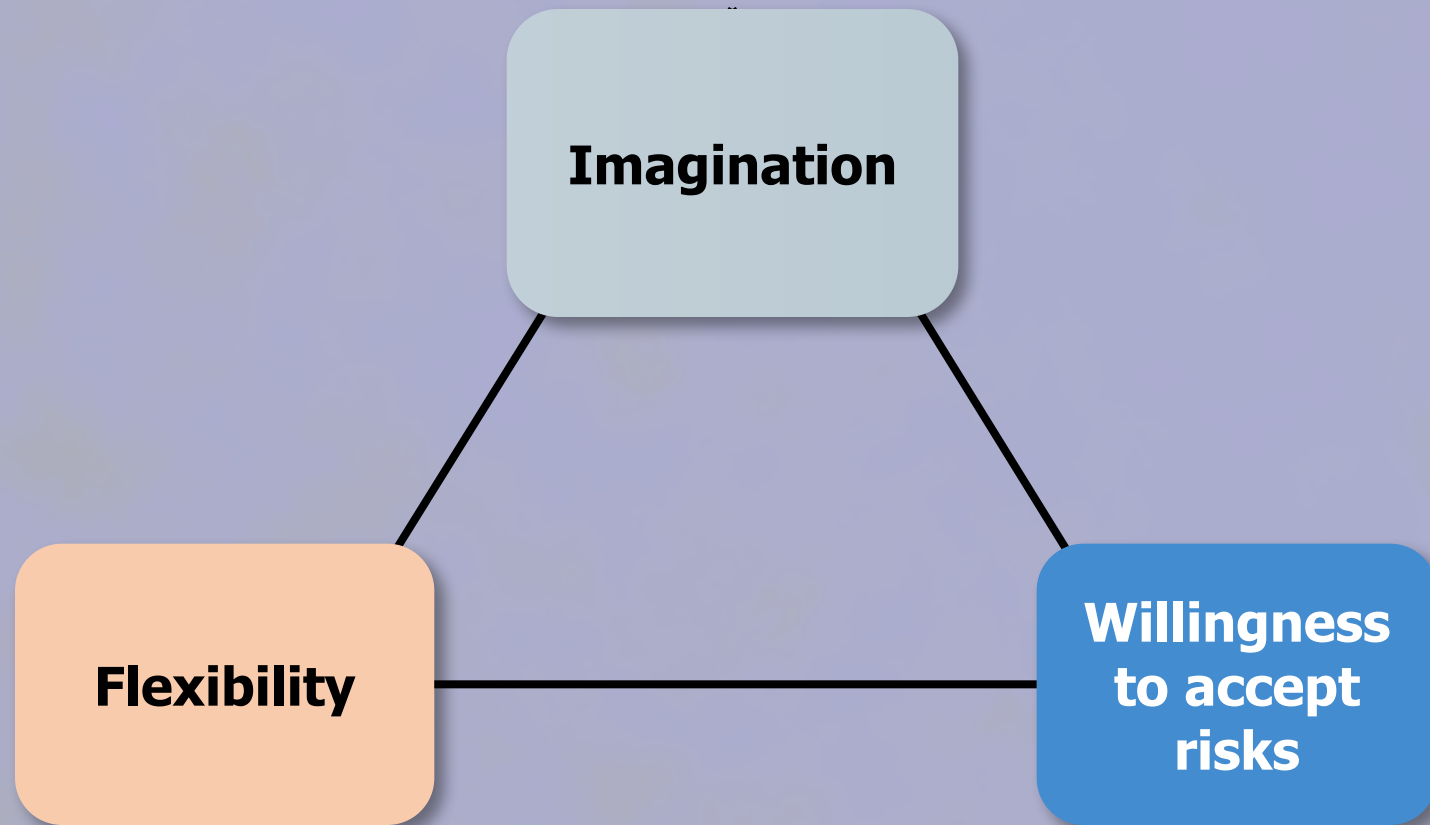
THE ENTREPRENEURIAL MIND-SET

- Determination and perseverance
- Drive to achieve
- **Opportunity orientation**
- Initiative and responsibility
- Persistent problem solving
- **Internal locus of control**
- Tolerance for ambiguity
- **Creativity and innovativeness**
- **Vision**
- **Passion**
- Calculated risk taking
- Seeking feedback
- High energy level
- **Optimism**
- Independence
- Team building

THE ENTREPRENEURIAL EXPERIENCE

- Entrepreneurs
 - Create ventures much as an artist creates a painting.
 - Are formed by the lived experience of venture creation.
- Experiential Nature of Creating a Sustainable Enterprise
 - Emergence of the opportunity
 - Emergence of the venture
 - End emergence of the entrepreneur

THE ENTREPRENEURIAL APPROACH



THE ENTREPRENEURIAL PROCESS

Identify and Evaluate the Opportunity	Develop Business Plan	Resources Required	Manage the Enterprise
<ul style="list-style-type: none"> • Opportunity assessment • Creation and length of opportunity • Real and perceived value of opportunity • Risk and returns of opportunity • Opportunity versus personal skills and goals • Competitive environment 	<ul style="list-style-type: none"> • Title page • Table of Contents • Executive Summary • Major Section <ol style="list-style-type: none"> 1. Description of Business 2. Description of Industry 3. Technology Plan 4. Marketing Plan 5. Financial Plan 6. Production Plan 7. Organization Plan 8. Operational Plan 9. Summary • Appendixes (Exhibits) 	<ul style="list-style-type: none"> • Determine resources needed • Determine existing resources • Identify resource gaps and available suppliers • Develop access to needed resources 	<ul style="list-style-type: none"> • Develop management style • Understand key variables for success • Identify problems and potential problems • Implement control systems • Develop growth strategy

SWOT ANALYSIS



THE ENTREPRENEURIAL PROCESS

- Opportunity identification - The process by which an entrepreneur comes up with the opportunity for a new venture.
- Market size and the length of the window of opportunity are the primary bases for determining risks and rewards.
- Window of opportunity - The time period available for creating the new venture.
- Business plan - The description of the future direction of the business.

HOW ENTREPRENEURS THINK

- Entrepreneurs in particular situations may think differently when faced with a different task or decision environment.
- Given the nature of their decision-making environment, entrepreneurs need to sometimes:
 - Deliver
 - Be cognitively adaptable
 - Learn from failure

HOW ENTREPRENEURS THINK

- Cognitive adaptability describes the extent to which entrepreneurs are:
 - Dynamic, flexible, self-regulating and engaged in the process of generating multiple decision frameworks focused on sensing and processing changes in their environments and then acting on them.

HOW ENTREPRENEURS THINK

- Achieving cognitive adaptability
 - Comprehension questions – Aids understanding of the nature of the environment before addressing an entrepreneurial challenge.
 - Connection tasks – Stimulates thinking about the current situation in terms of similarities and differences with situations previously faced and solved.
 - Strategic tasks – Stimulates thoughts about which strategies are appropriate for solving the problem (and why) or pursuing the opportunity (and how).
 - Reflection tasks – Stimulates thinking about their understanding and feelings as they progress through the entrepreneurial process.

HOW ENTREPRENEURS THINK

Achieving cognitive adaptability means:

- understanding the context before addressing an entrepreneurial challenge.
- Analyzing the situation according to similarities and differences with previous challenges
- Thinking about which strategies are appropriate for solving the problem (and why) or pursuing the opportunity (and how).
- Thinking about my understanding and feelings during the entrepreneurial process

Entrepreneurs who are able to increase cognitive adaptability have an improved ability to **adapt to new situations, be creative and communicate one's reasoning behind a particular response.**

DEALING WITH FAILURE

- Learning from Business Failure
 - Uncertainty, changing conditions, and insufficient experience can contribute to failure among entrepreneurial firms.
 - An entrepreneur's motivation is not simply from personal profit but from:
 - Loyalty to a product.
 - Loyalty to a market and customers.
 - Personal growth.
 - The need to prove oneself.

DEALING WITH FAILURE

- Loss of a business can result in a negative emotional response from the entrepreneur.
- It can interfere with:
 - Entrepreneur's ability to learn from the failure.
 - Motivation to try again.

DEALING WITH FAILURE

- Recovery and Learning Process
 - Emotional recovery from failure happens when thoughts about the events surrounding, and leading up to the loss of the business, no longer generate a negative emotional response.
 - Primary descriptions of the process of recovering are:
 - Loss-orientation.
 - Restoration-orientation.

DEALING WITH FAILURE

- Loss Orientation
 - Involves focusing on the particular loss to construct an account that explains why the loss occurred.
- Restoration Orientation
 - Involves both distracting oneself from thinking about the failure event and being proactive towards secondary causes of stress.

DEALING WITH FAILURE

- Loss-Orientation
 - Involves working through, and processing, some aspect of the loss experience and, as a result of this process, breaking emotional bonds to the object lost.
 - This process gradually provides the loss with meaning and eventually produces a changed viewpoint.
 - Involves confrontation, which is physically and mentally exhausting.
 - Characterized by feelings of relief and pain that wax and wane over time.

DEALING WITH FAILURE

- Restoration-Orientation
 - Based on both avoidance and a proactiveness toward secondary sources of stress arising from a major loss.
 - Involves suppression, which requires mental effort and presents potentially adverse consequences for health.
 - Provides an opportunity to address secondary causes of stress.
 - May reduce emotional significance of the loss.

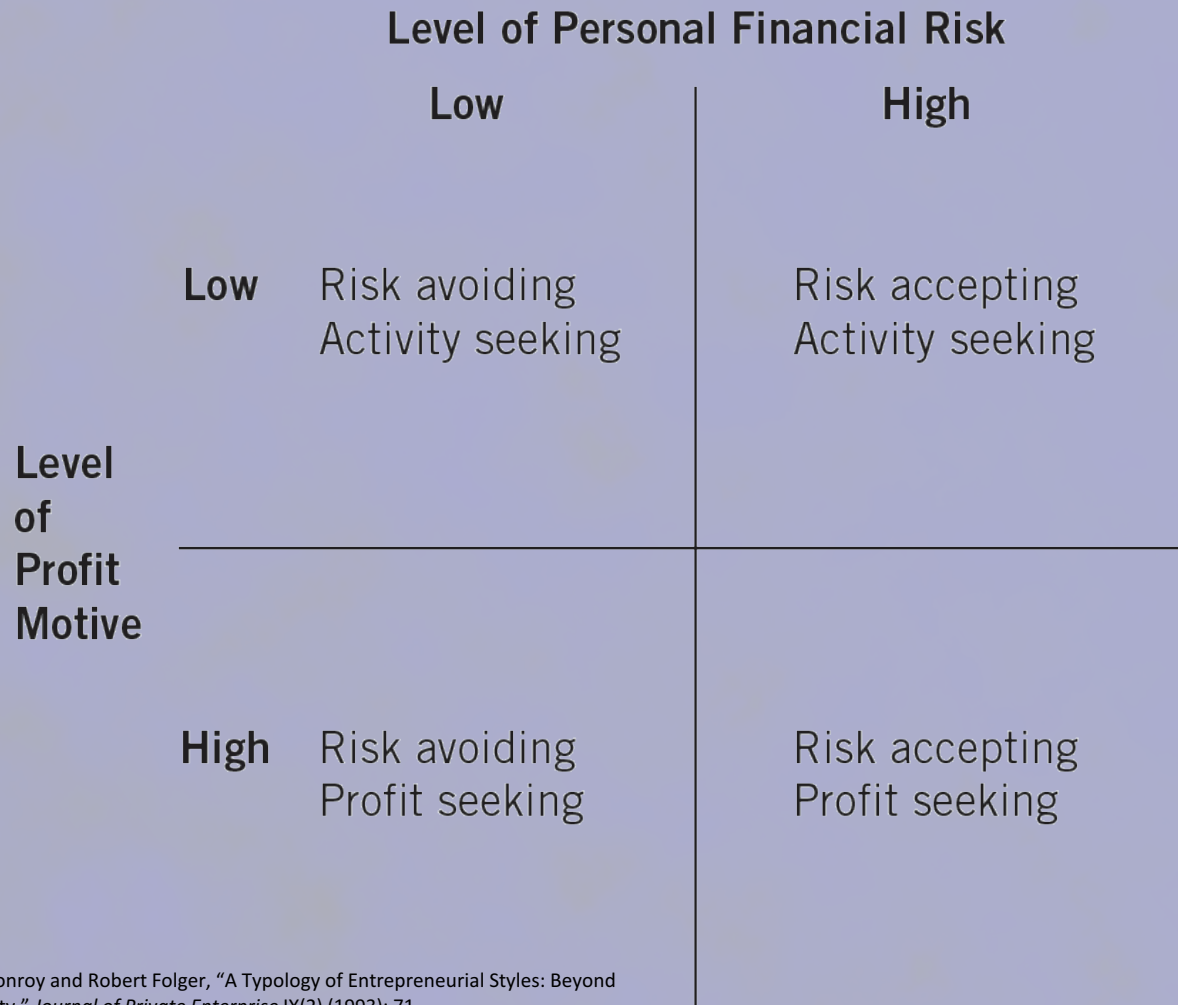
DEALING WITH FAILURE

- A Dual Process for Learning from Failure
 - The dual process of oscillating between the loss-orientation and restoration-orientation enables a person to:
 - Obtain the benefits of each.
 - Minimize the costs of maintaining one for too long.
 - This dual process speeds the recovery process.

DEALING WITH FAILURE

- Practical implications of the dual process:
 - Knowledge that feelings and reactions being experienced are normal.
 - Realizing that psychological and physiological outcomes caused by the feelings of loss are “symptoms” can reduce secondary sources of stress.
 - There is a process of recovery to learn from failure, which offers some comfort that current feelings of loss will eventually diminish.
 - Recovery and learning process can be enhanced by some degree of oscillation.
 - Recovery from loss offers an opportunity to increase one’s knowledge of entrepreneurship.

ENTREPRENEURIAL RISK STYLES



Source: Thomas Monroy and Robert Folger, "A Typology of Entrepreneurial Styles: Beyond Economic Rationality," *Journal of Private Enterprise* IX(2) (1993): 71.

THE DARK SIDE OF ENTREPRENEURSHIP

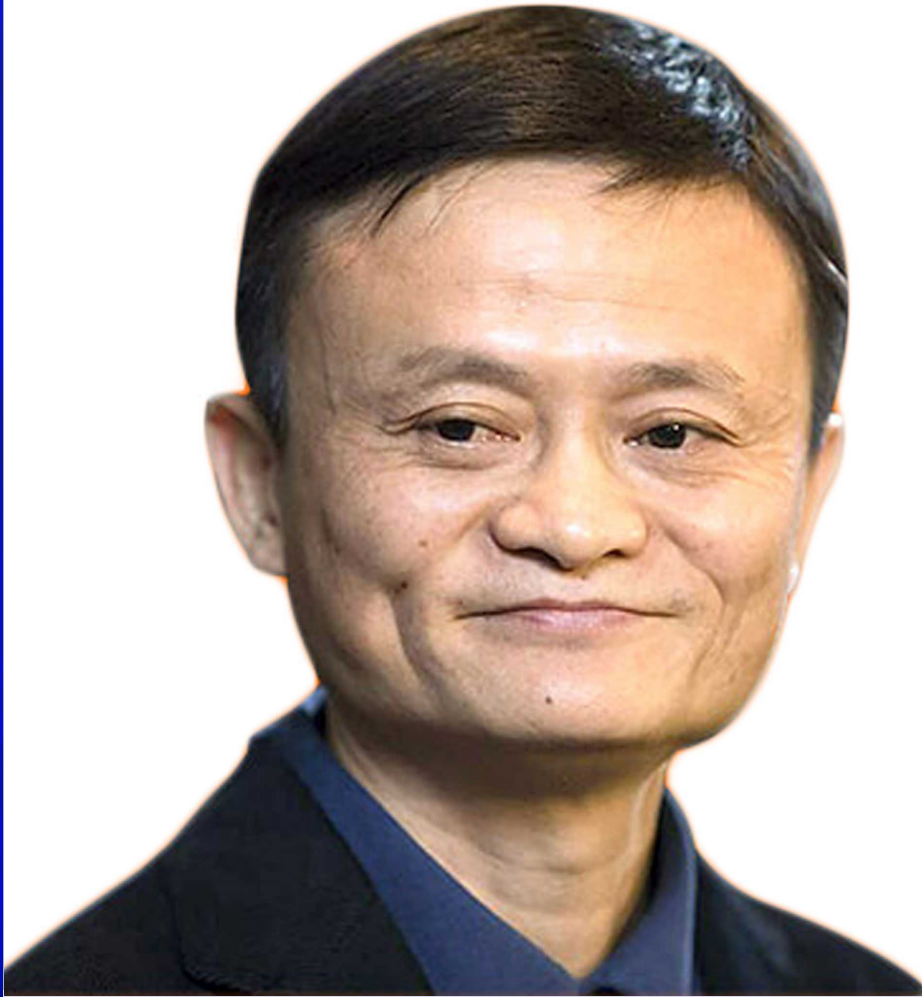
- The Entrepreneur's Confrontation with Risk
 - Financial risk versus profit (return) motive varies in entrepreneurs' desire for wealth.
 - Career risk—loss of employment security
 - Family and social risk—competing commitments of work and family
 - Psychic risk—psychological impact of failure on the well-being of entrepreneurs

THE ENTREPRENEURIAL EGO

- Self-Destructive Characteristics
 - Overbearing need for control
 - Sense of distrust
 - Overriding desire for success
 - Unrealistic externalized optimism



JACK MA



**YOU NEED
THE RIGHT
PEOPLE
WITH YOU,
NOT
THE BEST
PEOPLE.**



JACK MA

- Founder of Alibaba, former english teacher
- 10 application to Harward refused
- Not hired by KFC restaurant
- Determination
- Enthusiast

STEVE JOBS

**“I’m convinced that about
half of what separates
the successful Entrepreneurs
from the non-successful ones
is pure perseverance”**


Steve Jobs



STEVE JOBS

- Lost almost everything
- Great visionary capacity
- Reality distortion field
- Very skilled public speaker
- Poor teamwork
- Perseverance

ELON MUSK



"When something is **important** enough,
you do it even if **the odds** are not in
your favor."

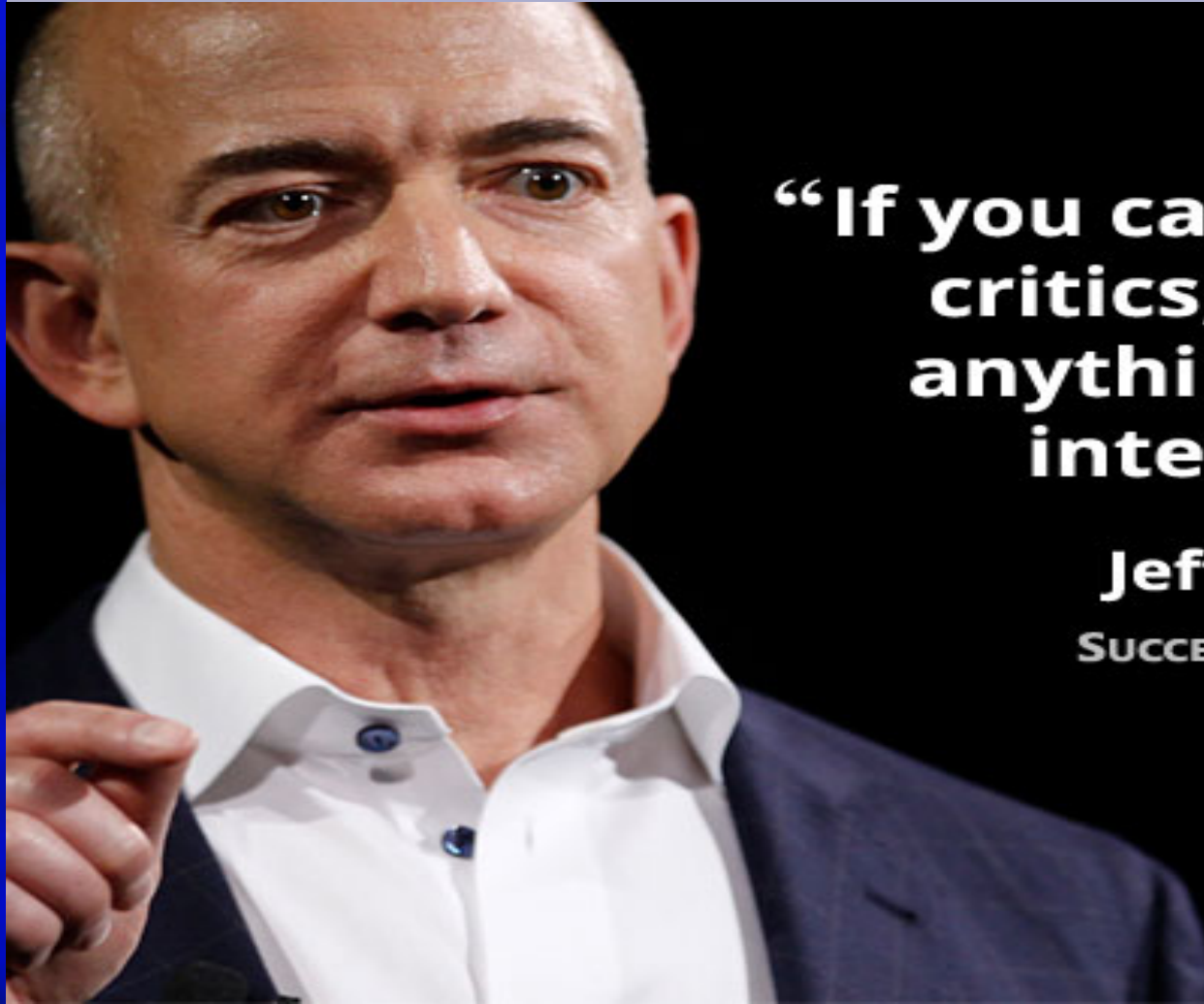
Elon Musk

Goalcast

ELON MUSK

- Founder of Paypal, SpaceX, Tesla, Solarcity
- Great visionary capacity
- Optimist
- Risking it all
- Keepig fighting against impossible

JEFF BEZOS



“If you can't tolerate critics, don't do anything new or interesting.”

Jeff Bezos

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JEFF BEZOS

- Founder of Amazon, kindle, blue origin, richest man in the world
- It's always day one
- Kill our marker
- High speed velocity
- Disagree and commit