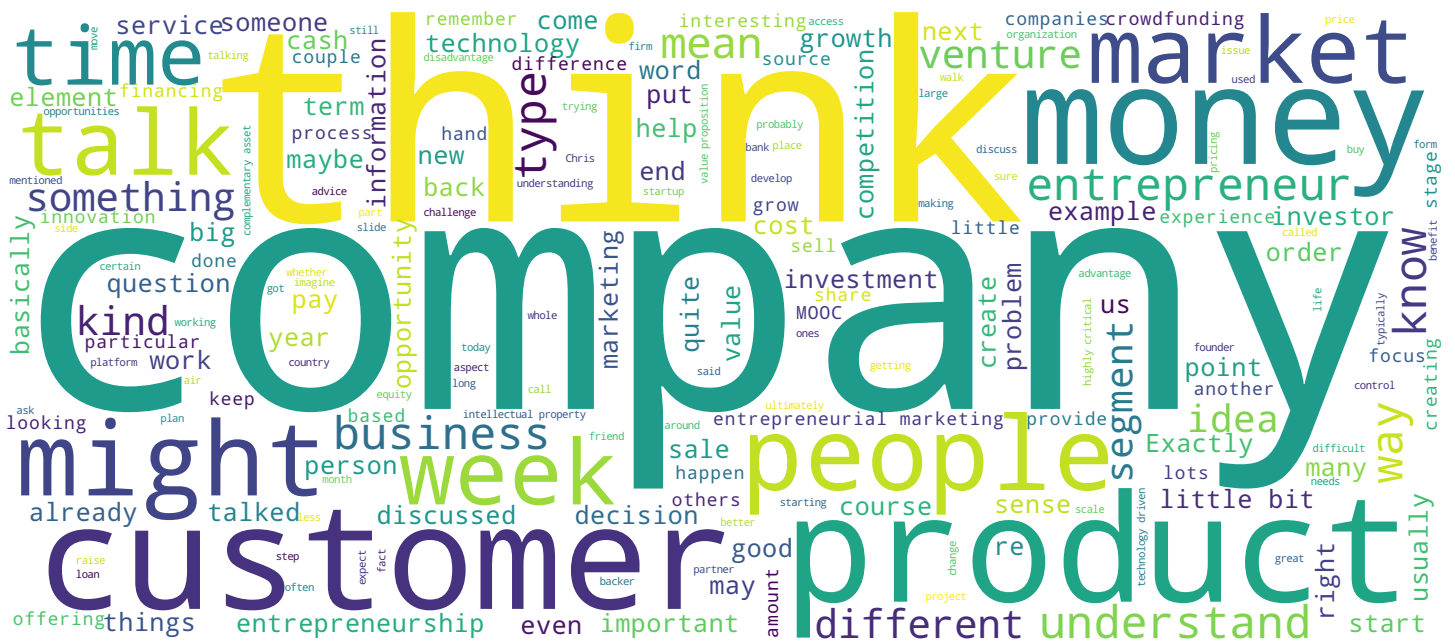
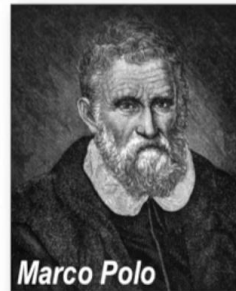


Prof. Chris Tucci and Prof. Marc Gruber





- Entrepreneurship is about **bringing together resources to create value.**
- What can YOU imagine? (your mind is the limit)



Marco Polo



Launching New Ventures

Welcome back, this is segment 1.1. During the segment we are going to introduce you to the set up of this MOOC. We have designed five weeks for you that cover the essentials of the entrepreneurial process. So let's review what we just discussed last time. We discussed what entrepreneurship is about. We talked about entrepreneurship as the process where you create value by bringing resources together. We also discussed the fact that it's not a new concept. Cantino was discussing this already in the 17th century, thinking about Marco Polo's journey, and some of the risks that he took, some of the innovation aspects. So, it's been quite a long time that people studied entrepreneurship. And why it's so important nowadays, is because it's one of the very liberating types of business concepts-- it's your imagination that sets the limits of what you can do. Initially at least because, you can come up with new things, how to develop new products, ways to serve customers. So, what you can imagine is actually the initial limit.

Notes

Summary



0m 07s

Course framework: 5 weeks

Week 1	Week 2	Week 3	Week 4	Week 5
What is Entrepreneurship?	Identifying & Evaluating Business Opportunities	Entrepreneurial Marketing	Raising & Managing Money	Value Capture – Profiting from Your Innovation

So, we've chosen here five critical topics that we've put in chunks of one week each, so that you have five pieces of the entrepreneurial process. (Marc) Exactly, so we start off with a more general discussion of what is entrepreneurship. (Chris) And then we move on in week two to identifying and evaluating business opportunities. (Marc) And then, in week three, we cover one of the core aspects of the entrepreneurship process which is entrepreneurial marketing because you need to attract customers for your venture.

Notes

Summary



1m 07s

1: What is entrepreneurship?

	Pure Self-Employment	Technology-Driven Entrepreneurship
Starting point	<ul style="list-style-type: none"> • Business idea has been realized in the same form several times • Traditional product-market combinations 	<ul style="list-style-type: none"> • Business idea is based on an innovative product-market combination
Examples	<ul style="list-style-type: none"> • Handcraft, retailing, contact service provider 	<ul style="list-style-type: none"> • Technology-oriented producers, innovative service provider
Predominant mode of competition	<ul style="list-style-type: none"> • Destructive competition 	<ul style="list-style-type: none"> • Competition in innovation
Time perspective of business idea	<ul style="list-style-type: none"> • Product life-cycle cannot be observed in the medium term 	<ul style="list-style-type: none"> • Often a product life-cycle is existent • Market phases have significant effect
Growth and employment potential	<ul style="list-style-type: none"> • Limited potential • Omnipresent founder, typically family-related employment 	<ul style="list-style-type: none"> • Huge potential

Adapted from: Fallgatter (2002). Theorie des Entrepreneurship.

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And then we have in week four, another core aspect, which is raising and managing money. And then, week five, we talk about value capture, because you shouldn't only develop an innovation but you should also be able to profit from that innovation. So, let's walk you through each of these weeks, with one slide each. So, it's a very brief summary. So in week one, as Chris just mentioned, we talk about what is entrepreneurship. We are going to sensitize you to the differences between different types of entrepreneurship, and also the difference to normal management in that sense. If you look at the differences in entrepreneurship you could say that they are more the technology driven types of startups, and then they are more the self-employment type of entrepreneurial companies where the former, the technology-driven ones, would have strong ambitions, they are often found and based on some kind of cool innovation, and you know, create markets. While the self-employment entrepreneurship type would be more about replicating markets, copying what others have done, etc.

Notes

Summary



1m 35s

1: What is entrepreneurship?

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Both I think are valid and important forms of entrepreneurship because they have important functions within the economy, but on the other hand, we needed to focus the MOOC on some type of venture, which are the technology-driven ones. But that does not mean that the content would be only relevant for those. Yeah, I think that this could be useful for people who want a lifestyle business-- as well as those who really want to look more for a growth business. Exactly. So, both of these constituencies, these target groups could be relevant; so we invite you to understand these differences, because then you also know what are other particular challenges that you will be facing as an entrepreneur when you create one or the other type of venture.

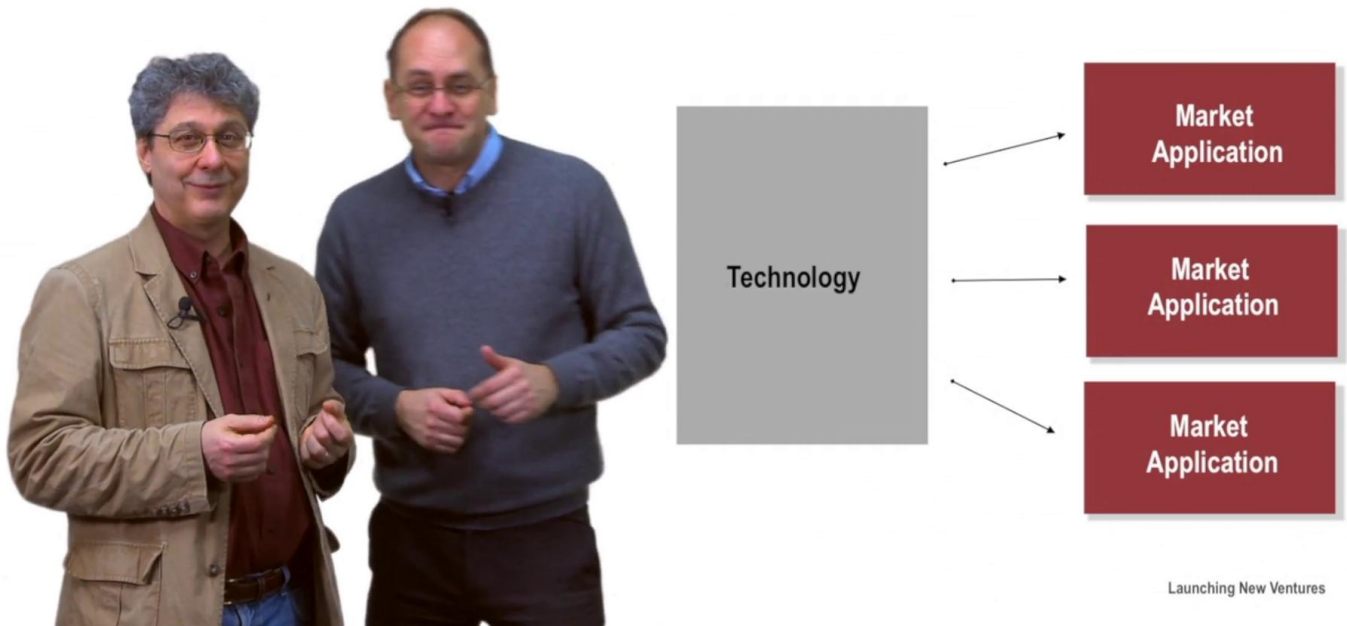
Notes

Summary



2m 34s

2: Identifying & evaluating business opportunities



So in a nutshell, in week two, we are going to talk about evaluating and identifying opportunities. And here we are going to discuss a little bit about technology, and how technology might be applied to different markets. Exactly, and, what we wanted you to understand is that markets have different characteristics. they present, more or less, fertile ground for fund creation, so actually, this opportunity identification stage is a highly critical one because you might identify more or less favorable environments for fund creation. And we are going to talk about this aspect, but we are also going to talk about how you can systematically improve your abilities to see good opportunities out there, which is a highly critical skill I think.

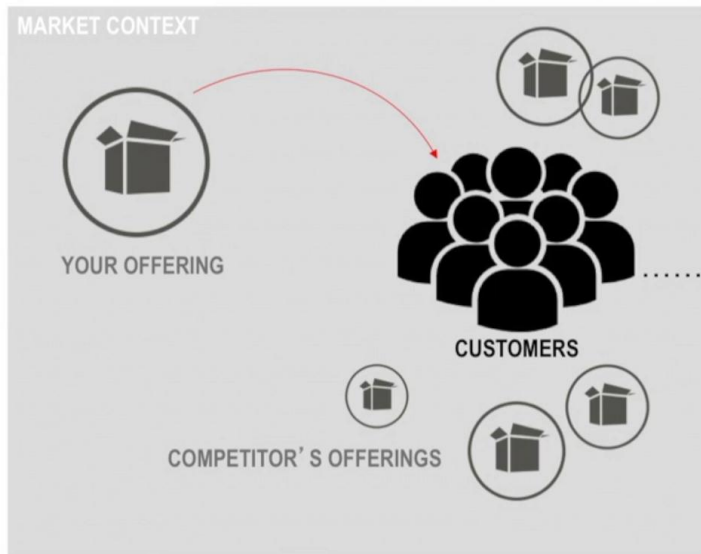
Notes

Summary



3: Entrepreneurial marketing

Marketing is about **relationships**.



Strategic Decisions:

Market Segmentation & Positioning

Operational Decisions (Implementation):

Marketing Mix etc.

“The purpose of a business is to create a customer.”

Peter Drucker

1993, *The Practice of Management*

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So in week three we're going to talk about entrepreneurial marketing which is another critical aspect in your venture creation journey, because it's about creating relationships with your customers, attracting their money, trying to sell the products to these folks, and in order to understand entrepreneurial marketing as a strategic manager, you have to really differentiate between more the strategic types of decisions which are my market segments, and how should my customers perceive me in these market segments. And then, differentiate that from the implementation issues, which would be more like the marketing mix, which type of pricing you do, which types of distribution channels you chose. (Chris) As Peter Drucker said, "The purpose of a business is to create a customer." (Marc) Exactly, and not creating just a product or a technology. Because you need to survive as a company and you have to make these sales. And you have to grow your company by making even more sales. And entrepreneurial marketing is exactly about that.

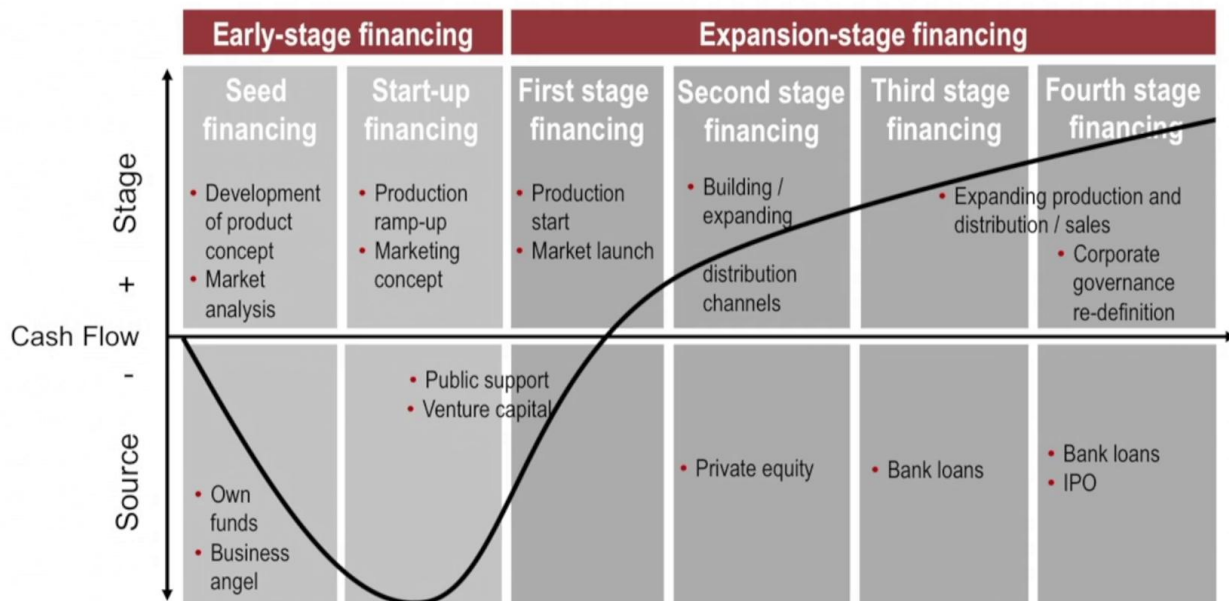
Notes

Summary



3m 52s

4: Raising & managing money



Adapted from: B. Rudolph (2001), p. 207

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You are going to have expenses to develop your products and services, and do your marketing, so in week four, we are going to talk about a very critical aspect of this which is, raising financing. Exactly, and when you think about the expense that you have, it's cash outflows. And what happens if you cannot pay your bills? In your private life, and in your company life, you go bankrupt. So, in essence, the cash that you have in the company is like the air that you breath. What we will be talking about is sources where you can get that air for your company to breath. (Chris) Right, we're going to go through the different stages and talk about some different sources of financing at each stage, and one of those is going to be again, the crowdfunding aspect of it. So, we can think about the crowdfunding as being a potential boost, to get a little bit of air there, while you are starting your business.

Notes

Summary



4m 45s



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And then, we're already in week five-- the MOOC is short, we told you, because we are going to focus on the essentials. And in this week five, we have another key element which is-- - Critical one. - which is profiting from your innovation, it's value capture. Because it's not given that you actually capture the value that you are creating, there are other parties out there, your customers, your employees, other people who want to have a share of the profit pie that you are creating, so you have to smart in how to structure your deals, how you defend the pie, or the share of the pie that should accrue to you. Right, so what we'll do in this particular week is we will discuss protecting your ideas, through intellectual property, and other ideas. We will also talk about the capturing of value relative to your partners, and how you make money relative to your partners. We'll think about legal liability and other legal issues. - Whet you want to have pivoting? - Yes, exactly! You have to figure out, do I change my product a little bit here, and then wait to attract more? You might be part way through your idea, and then you might be testing it in the market, and figuring out that, that's not exactly the right market that I want, and I need to change a little bit.

Notes

Summary



0m 08s

5: Value capture: profiting from innovation



- Protecting your Ideas
- Value Capture & Partnerships
- Legal Aspects (Product Liability etc.)
- When to Pivot?
- Growing & Scaling

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So thinking aloud about pivoting is super important. And then also about growing and scaling your venture. You have to grow your venture, attract additional customers, you have to scale it up to actually get most of the value that you potentially could create. - Right. - So, that's week five. It is highly critical, and it basically it's the final bracket the final endpoint, the milestone of the whole MOOC, because we want to have you there as a succeeding entrepreneur who also captures the value.

Notes

Summary



6m 45s



Launching New Ventures

So, by now, you may ask yourself, "Is entrepreneurship actually for me?" Is it for you a viable option, a viable choice for your life? And I think it's-- there's no definite answer. Some people actually know it and say, "I want to be an entrepreneur", while others say, "maybe". And so we invite everyone to experience it, to try to understand what it means, because ultimately, it's an important choice in your life. And if you think back, in ancient times, actually all of us were entrepreneurs, there were not such things like large organizations or governments we could work for: so entrepreneurship is in a way in us. But you need to find out that it's actually so much in you that you want to engage in this activity. So think about, you know, in Tiger Woods. If he hadn't had a golf club, he would have never understood that this is actually a sport that he can do. We're in Switzerland so think about Roger Federer. - If he didn't pick up a tennis racket-- - He would have never known! So in that sense we really invite you to also experience entrepreneurship in all these stages, learn about it, and ultimately try to understand is this an activity that is fun to you, it fulfills your life, and is a career choice. So, this is what this course is about, we decided for you, we look forward to being with you in the next five weeks, so welcome! - Welcome!

Notes

Summary



7m 14s