

MINDING YOUR BUSINESS

Growing through Entrepreneurship The Innovation Imperative

By Eric A. Morse, PhD.

“Here is Edward Bear, coming downstairs now, bump, bump, bump, on the back of his head, behind Christopher Robin. It is, as far as he knows, the only way of coming downstairs, but sometimes he feels that there really is another way, if only he could stop bumping for a moment and think of it.”
A.A. Milne

Entrepreneurship has been defined as the pursuit of opportunity without regard to resources currently controlled, but A.A. Milne’s quote captures its essence. If Edward Bear were a true entrepreneur, he would find a better way to come downstairs, probably by stepping back,

looking at the whole of the situation and deciding his problem is being dragged down by convention. Entrepreneurship is about recognizing, creating, and exploiting new opportunities that uproot convention and lead to growth, or higher profitability.

Like other forms of discovery, entrepreneurship has often been seen as a mystery. Traditionally we have tended to focus on the basics of business, like finance and marketing, assuming that entrepreneurship was something you were born with or could only acquire through the school of hard knocks, but now we are taking another look, and

there are compelling reasons why. In the past two decades, entrepreneurial firms have created the bulk of the job growth in the economy, and have produced most of the innovation. Recent studies also show that large firms with an entrepreneurial approach have outperformed the market average.

Most people now believe that entrepreneurship is more than starting businesses. It’s a particular way of thinking about business - being creative and innovative, managing with few resources, and managing risk. These are skills that are important in a large corporation or a small one. Anyone can learn

to think more entrepreneurially, but many must first push through some myths about entrepreneurship that hold them back.

Myth one is that you have to be born an entrepreneur. We know from research that's just not the case. In fact, there's as much trait differentiation between entrepreneurs as there is between entrepreneurs and non-entrepreneurs. People often point to characteristics common to successful entrepreneurs, but what we find is that these characteristics are common to all successful people, no matter what their vocation. They are motivated to succeed, they know it is possible, and they are willing to work very hard at it.

Myth two is that entrepreneurship is all about luck, or being in the right place at the right time. What is really interesting is that when you look very carefully you can see that there were thousands of people in the same place at the same time, so why did one individual recognize the opportunity, and decide to act on it? We find that the recognition of opportunity and the ability to exploit it are knowledge sets that can be learned through experience.

Myth three is that it's all about risk, but entrepreneurs aren't so much risk takers as they are risk distributors. For example, research in the field shows that if you take an entrepreneur out of a known context, they're no more likely to take risk than the next person. Another study has shown that entrepreneurs are less likely to play the lottery or to gamble than the general population. The point is that entrepreneurs like knowable and controllable risk.

In fact we should note that the real problem with risk is that most managers do not evaluate it very effectively. Managers focus on sink the boat risk to the exclusion of miss the boat risk. Entrepreneurs have a good handle on both: they assess the potential downside of a particular opportunity and figure out ingenious ways to limit it as much as possible; entrepreneurs also assess the potential upside of an opportunity and figure out creative ways to maximize it as much as possible. Only at this point do they make an evaluation as to the best decision to make and action to take.

Myth four is that entrepreneurship cannot be learned. In fact it can be learned, but like everything else it takes hard work, practice and time. This is why you talk to so many entrepreneurs who can recount the number of failures or near failures they had prior to becoming successful. The key for aspiring entrepreneurs is to find a good mentor(s), someone who has been there and done that, who can help you to limit the number of mistakes made and help you to gain the experiences and contacts you need to succeed.

Experience and learning make entrepreneurs better at pattern (opportunity) recognition than the rest of us, but this level of expertise takes time to accumulate. Most estimates place the time required at nearly ten years of work within a particular field or at a particular endeavor. The recognition of patterns (opportunities) in the environment is often the ability to look at the same set of circumstances as everyone else from a slightly different perspective. This is not another exhortation to think outside the box, this is an inherently difficult thing to do (contrary to popular belief), but rather an exhortation to bring

new voices into your current conversations, to start conversations with people with different passions, who may see the world just a little differently than you do, and to try new experiments in the margins of your business. All of these things can bring you a new perspective on your business, your market and your industry.

Face it: out there in some garage, an entrepreneur is forging a bullet with your company's name on it. You have only one option: you have to shoot first.

Gary Hamel

How do you shoot first in a competition when it is not even clear what the rules of the game are? The short answer is you out innovate the competition. Innovation is the specific function of entrepreneurship; it is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth. The problem is that most firms leave innovation to chance - this is a gamble most entrepreneurs would not take.

Innovation is hard work that requires total commitment. First and foremost it requires vision: who you are as a business and who you want to become. This is not a trivial question left to some plaque in the hallway, this is a compelling statement that defines the hopes and dreams of the people with whom you work. It must be alive and it must guide you and your employee's decision making toward some more attractive future state. You can see how defining your firm as a "Great regional surveying company" would create a very different firm than if you defined your firm as "the provider of choice for geographic information." To create something that is meaningful takes time and effort, but once we know where we want to go we can begin the process of searching for the innovations that will carry us to that state.

Many creative ideas come from challenging long held assumptions about our day to day work. We make assumptions about the service we perform, the market we serve and the industry in which we work. The problem is that these assumptions are not always true.


It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so.

Mark Twain

Take the time to step back from the day-to-day fires that you are dealing with and work on how you do business and how you go to market. Challenge what you believe about the product or service that you deliver to your customers and ask yourself how you could dramatically improve the value equation. Think big 500-1000%, because this will force you to think about new ways of doing things. Ask yourself whether it is possible to separate the information you provide your clients from the standard process of gathering that information. When you do this can you think of other uses for the information provided or the process used to gather that information? Lastly, ask yourself how you can dramatically change the way your customer interacts with your firm. Can you elevate the interaction to the point where your customer doesn't just think that you've done a great job but rather finds the interaction fun and

looks forward to the next encounter?

Challenge what you believe about the market you serve, and ask yourself if you are focusing on the total imaginable market. Challenge yourself as to the accessibility of your product or service. Who else could use your product or services if it was just packaged or delivered a little differently? Challenge what you believe about the industry in which you work, and ask yourself if you have skills that would allow you to play in different markets or industries. Are there different parts of the supply chain that you could be serving or can you drive convergence across industry boundaries?¹

Growth, innovation and entrepreneurship – none of it is easy. We need to commit to a process of innovation and entrepreneurship that will protect the future of our organizations and make them the places that we and our employees want to practice our profession. We do this by providing a compelling vision, encouraging new and different voices, passions, and perspectives in our conversations about how we do business and how we go to market. Most of all we do this by taking action that doesn't leave it all to chance. 

Eric A. Morse, Ph.D. is the JR Shaw Professor of Entrepreneurship and Family Owned Business, and the Director of the Institute for Entrepreneurship at the Richard Ivey School of Business. Eric is the Academic Director for Ivey's Quantum Shift Executive Program for High Potential Entrepreneurs, and he teaches in several other custom executive programs.

¹Gary Hamel's Leading the Revolution is a good read for a more detailed look at this topic.

www.

BATTERYREVIVAL.com

*Send your batteries to the
company Land Surveyors have
come to trust since 1994*

Battery Re-celling:

**Total-Stations,
Radios,
Drills, etc.**

**Data Cable
Repairs**

**Bar Finder
Repairs**

Visit our website for pricing
www.batteryrevival.com

(416) 823-0489

Dias & Dias Electronics
1110 Kos Blvd, Mississauga, ON, L5J 4L6