



**ENTREPRENEURSHIP &
INNOVATION
In An Asia Pacific Context**

UNIT OUTLINE

Entrepreneurship & Innovation in an Asia-Pacific Context

Introduction

Welcome to Entrepreneurship and Innovation in an Asia-Pacific Context. This unit focuses on the field of entrepreneurship and innovation. From an academic perspective entrepreneurship and innovation are complex areas of investigation with substantial debate over their definition and scope. From a practical perspective entrepreneurship deals with the process of developing new business ventures, and/or promoting growth and innovation in existing firms. Innovation is not just about new technology, but also about doing things better to enhance value to customers, employees and shareholders.

Successful entrepreneurship requires more than merely luck and money. It is a cohesive process of planning, idea development, creativity and risk taking. The main reasons for studying entrepreneurship at postgraduate level are to create entrepreneurial awareness, to develop analytical and creative skills, and to encourage the self-development of students into entrepreneurial business owners or employees. The study of entrepreneurship and innovation has grown significantly throughout the world over recent decades, and is now one of the most popular subjects within leading business schools. As noted in the 2003 European Union's "Green Paper" on Entrepreneurship:

Entrepreneurship is first and foremost a mindset. It covers an individual's motivation and capacity, independently or within an organisation, to identify an opportunity and to pursue it in order to produce new value or economic success. It takes creativity or innovation to enter and compete in an existing market, to change or even to create a new market. To turn a business idea into success requires the ability to blend creativity or innovation with sound management and to adapt a business to optimise its development during all phases of its life cycle. This goes beyond daily management: it concerns a business' ambitions and strategy (European Commission, 2003).

There is no presumption, however, that entrepreneurship can be taught. You can learn a lot from observing what entrepreneurs do, but each have their own peculiar way of doing things. Ultimately entrepreneurship must be experienced. A distinction also needs to be made between the entrepreneur as an individual, being enterprising as a person and the process of small business management. Each of these things can be quite different. Entrepreneurs can lead large companies - e.g. Richard Branson of Virgin, or Bill Gates of Microsoft – but most start out leading small firms with little initial capital.

Entrepreneurship is frequently associated with innovation. For example, Schumpeter identified the role played by entrepreneurs within society as responsible for what he described as 'creative destruction', frequently leading radical changes within business markets through the introduction of innovations (Schumpeter, 1934). However, while innovation is often associated with entrepreneurs it remains a separate concept with its own dynamics. Innovations can involve radical or evolutionary changes and may or may not involve technology. Within business, innovation is usually associated with product or process technologies that serve to add value or lower costs. Innovation can also involve enhancements to the way a business system is structured, work places are designed, markets are accessed or company finances are managed. Innovators can be equally diverse and those who can blend innovation together with entrepreneurship are likely to profoundly shape the future of their industries. Innovation is recognised by the OECD as a critical element in maintenance of sustainable economic growth:

Innovation is one of the most fundamental processes underpinning economic growth, the driver of growth in output per unit of labour and capital invested, and an important basis for developing solutions to economic and social challenges such as climate change, aging societies and poverty (OECD, 2010).

Course Objectives

On completion of this unit, students should be able to:

1. Appreciate the importance of entrepreneurship to a healthy economy,
2. Understand the concepts and key theories relating to entrepreneurship and innovation,
3. Recognise that entrepreneurship is inherent in all people and that environment and individual traits combine to make entrepreneurial outcomes,
4. Examine successful and unsuccessful examples of entrepreneurship from a range of perspectives including small business, technology start-up, large organisations, spin outs and social enterprise,
5. Apply frameworks for new venture creation and entrepreneurial management including processes for identifying and screening opportunities,
6. Understand the theory of innovation and its diffusion process,
7. Recognise the various types of innovation,
8. Apply innovation concepts to case examples in different contexts,
9. Apply innovation frameworks to the assessment of innovation opportunities and commercialisation pathways, and
10. examine and understand the challenges of fostering innovation in larger organisations

Content Outline

Topic 1: Entrepreneurship & Innovation: A social and economic process

Definitions of enterprise, entrepreneurship, entrepreneurs and innovation; The myths of entrepreneurship; Entrepreneurs and innovation as catalysts for economic and social change; Snapshots of entrepreneurial activity at the global, national and local level and encouraging entrepreneurial activity.

Learning Outcomes:

- LO 1. Appreciate the importance of entrepreneurship and innovation to a healthy economy.
- LO 2. Define the key terms: entrepreneur, entrepreneurship and innovation.
- LO 3. Understand the difference between managers, entrepreneurs and entrepreneurial managers.
- LO 4. Understand the concepts and key theories relating to entrepreneurship.
- LO 5. Understand policy tools employed to encourage entrepreneurial activity.

Topic 2: The Entrepreneur: mind and action

The psychological and social trait theories of entrepreneurship. Environmental factors likely to trigger enterprising behaviour; the role of creativity and achievement drive and concepts for evaluating individual entrepreneurial traits. Entrepreneurial learning, entrepreneurial orientation and the dark side of entrepreneurship.

Learning Outcomes:

- LO 1. Examine the psychological and social trait theories of entrepreneurship.
- LO 2. Consider the environmental factors likely to trigger enterprising behaviour.
- LO 3. Complete an entrepreneurial assessment.
- LO 4. Relate theories of entrepreneurship to individual vocational and professional contexts.

Topic 3: The Entrepreneurial Process

Creativity and its links to enterprise, the three stage process of entrepreneurship; The Theory of Effectuation; The Entrepreneurial Process Model; 3M Analysis; Opportunity screening; Innovation and competitive advantage; Acquiring resources – financing ventures and the role of family, friends and fools; Applied creativity within the workplace and creativity tools.

Learning Outcomes:

- LO 1. Consider the role of creativity in entrepreneurship and innovation.
- LO 2. Understand the entrepreneurship process.
- LO 3. Understand the theory of effectuation.
- LO 4. Understand the factors likely to trigger or serve as a barrier to entrepreneurial activity.
- LO 5. Understand the new venture screening process.
- LO 6. Understand the role of creativity and how rich pictures can be used to stimulate creative thinking.
- LO 7. Understand the application of applied creativity tools to solving complex problems.

Topic 4: Intrapreneurship

New venture creation in established organisations; The intrapreneurial process; The middle manager as an entrepreneur; The roles of sponsors and climate makers; Creating the innovative organisation; Innovation in public sector organisations.

Learning Outcomes:

- LO 1. Understand the process of intrapreneurship.
- LO 2. Understand the difference between managers and entrepreneurial managers.
- LO 3. Understand the impact of organisational structure and culture on creativity and enterprise within the firm.
- LO 4. Examine human resources frameworks for encouraging intrapreneurship within large organisations.
- LO 5. Recognise the five key elements that create the innovative organisation.
- LO 6. Understand the challenges facing innovation in public sector organisations.

Topic 5: Small Business

Overview of the small business sector; Differences between entrepreneurs and owner-managers; Theories of small business management; The entrepreneurial growth cycle of small firms; The need for collaborative support networks; The need for strategic thinking; The need for strong balance of strategy, structure and resources.

Learning outcomes:

- LO 1. Consider the differences between entrepreneurs and owner-managers.
- LO 2. Recognise the difference between an entrepreneur and an owner-manager.
- LO 3. Examine the theory of small business management.
- LO 4. Understand the causes of small business success and failure.
- LO 5. Understand the entrepreneurial growth cycle of small firms.

- LO 6. Understand the three primary strategic options available to the small firm and recognise the five key elements of an entrepreneurial growth firm.

Topic 6: Adoption and Diffusion of Innovation

Theories of adoption and diffusion; Diffusion is a social and economic process; Selection of the lead customer; Pathways to market and assessing the market take rate; Barriers to market entry and substitution threats; Strategic alliances to enhance innovation diffusion.

Learning outcomes:

- LO 1. Understand the process of innovation diffusion.
- LO 2. Review theories of adoption and diffusion.
- LO 3. Recognise the social nature of innovation diffusion.
- LO 4. Understand the innovation decision-making process within organisations.
- LO 5. Understand some of the reasons for failure of innovation adoption and diffusion.

Topic 7: Planning and Strategy in Entrepreneurial Ventures

The value of the business plan; What is business planning? Designing business models; What is a business plan? Don't confuse planning for clear vision; Planning and entrepreneurial risk perception; Developing entrepreneurial strategy;

Learning Outcomes

- LO 1. Understand the role and relevance of planning.
- LO 2. Understand how to integrate analysis and vision.
- LO 3. Understand the fundamentals of building a business model.
- LO 4. Identify skill requirements/matches for new ventures.
- LO 5. Understand the planning process within an entrepreneurial venture.
- LO 6. Understand the nature and role of entrepreneurial risk perception in the planning process.
- LO 7. Apply the planning process to a case analysis.

Topic 8: Financing the venture

The 'finance gap' for entrepreneurial firms; Sources of entrepreneurial capital; Bootstrap financing; Debt financing; Bank financing; Equity financing; The nature of venture capital;

Learning Outcomes

- LO 1. Understand how new ventures are financed.
- LO 2. Understand how to position new ventures for appropriate funding.
- LO 3. Appreciate global funding networks and venture capital.
- LO 4. Understand the role of venture capital in innovation and commercialisation.
- LO 5. Understand the 'financing gap' problem of entrepreneurial financing.

Topic 9: Technology, Technopreneurs and Disruptive Innovations

The conditions for radical innovation (substantial change to core offer in product and/or process); The need to balance technology push with market pull; disruptive versus sustaining

technologies; what to own and what to share; the strategic significance of disruptive technology; Creating new market space; New product development; Securing rent returns to innovation investment; Assessing innovation typologies.

Learning Outcomes:

- LO 1. Understand how to identify emergent, disruptive technologies.
- LO 2. Understand whether ventures need to spin out new ventures or can capture their value.
- LO 3. Appreciate the pivotal role of customers.
- LO 4. Understand how new ventures can 'create new market space'.
- LO 5. Appreciate how innovation management frameworks intersect and contradict strategy and marketing frameworks.
- LO 6. Understand how innovation occurs in products and services as well as technology – at all stages and sizes of ventures.

Topic 10: Intellectual Property Management and Commercialisation

The role of Intellectual Property in the innovation process; Types of IP; The protection of intellectual property; Assessing the technical feasibility of the innovation; Working within the network; Commercialisation as a process; The Innovation Diagnostic Diamond.

Learning outcomes:

- LO 1. Understand the nature of intellectual property and IP rights.
- LO 2. Review basic legal frameworks and sources of IP protection.
- LO 3. Understand the relationship between IP, innovation and business growth.
- LO 4. Review different approaches to valuing IP assets.
- LO 5. Understand the process of commercialisation.

Topic 11: Team Building, Company Leadership, Alliances and Risk Management

Leading practices of fast growth entrepreneurs; Building the awesome organisation; Developing effective management boards; Blueprinting the senior company leadership; Creating entrepreneurial teams; Leadership in innovation; Managing growing entrepreneurial ventures; Strategic partnering; Managing risk; Measuring risk in commercialisation projects; Stage-Gate project management.

Learning outcomes:

- LO 1. Examine the role of advisory and management boards.
- LO 2. Understand the importance of corporate governance.
- LO 3. Understand the importance of team building for venture growth.
- LO 4. Recognise the different leadership styles required within innovative and entrepreneurial ventures.
- LO 5. Understand the relationship between innovation and culture.
- LO 6. Understand the important of strategic partnering and how to manage strategic alliances.
- LO 7. Understand how to conduct a risk assessment of a venture.

Topic 12: Social Entrepreneurship and Cooperative Enterprise

Social entrepreneurship and innovation; Developing a social economy; Cooperative enterprise; Theories of community-based enterprise; Enhancing social enterprise and innovation.

Learning outcomes:

- LO 1. Understand the concept of social entrepreneurship.
- LO 2. Define social entrepreneurship and innovation and distinguish them from traditional entrepreneurship.
- LO 3. Recognise the importance of the social economy.
- LO 4. Understand the nature of co-operative enterprise and its contribution to economic and community development.
- LO 5. Understand the theory of community based enterprise.
- LO 6. Examine the role of social entrepreneurs via case studies.

Grading and results

You will be assessed in accordance with the grading scale -- numeric and alphabetical -- specified by your home University.

Your home university will determine your final grades for your AISAM 2011 studies and advise you of those grades. You will also receive from ANBS a letter indicating the Mark and grade recommended by ANBS.

Assessment

- (1) 40% for work completed in Penang (consisting of 10% for a group presentation to the class and 30% for a written group analysis of a case study to be submitted at the last class session for the unit.)
- (2) 60% for an individual assignment component of no less than 3000 words and no more than 5000 words prepared after the AISAM 2011 program. This assignment must be received at the ANBS Office **Friday, September 9, 5pm EST, 2011.**

Class Preparation and Pre-Course Reading

The unit is structured around the textbook contents and a series of case studies that are included at the end of each chapter. Some of these cases are relatively short while others are longer. The teaching approach is designed around small group discussions of the cases and how they relate to the different theories and concepts encompassed in the course.

It is very important that all students read the cases prior to the class as there will not be time for this reading to take place during the lessons. If students can acquire the textbook prior to the start of the course they should read the cases and skim the textbook chapters. Otherwise all reading will need to take place during the nights prior to the following day.

Schedule

Day 1	<ul style="list-style-type: none"> ☐ Topic 1 – Entrepreneurship & Innovation: A Social & Economic Process <ul style="list-style-type: none"> ○ APEC Cases (Textbook Chapter 1) ☐ Topic 2 – The Entrepreneur: Mind and Action <ul style="list-style-type: none"> ○ Cases “Brian and Andrew” (Textbook Chapter 2) ☐ Topic 3 – The Entrepreneurial Process <ul style="list-style-type: none"> ○ Cases “Malcolm and Richard” (Textbook Chapter 3)
Day 2	<ul style="list-style-type: none"> ☐ Topic 4 – Intrapreneurship <ul style="list-style-type: none"> ○ Case Study – City of Belmont (Textbook Chapter 4) ☐ Topic 5 – Small Firms <ul style="list-style-type: none"> ○ Case Study – The Stillroom (Textbook Chapter 5) ☐ Topic 6 – Adoption & Diffusion of Innovation <ul style="list-style-type: none"> ○ Case Study – The Owen Gun (Textbook Chapter 6) ☐ Topic 7 – Planning & Strategy in Entrepreneurial Firms <ul style="list-style-type: none"> ○ Case Study – Comfort Homes (Textbook Chapter 7)
Day 3	<ul style="list-style-type: none"> ☐ Field Trips – Mini Circuits & Motorola ☐ Interviews with an entrepreneur
Day 4	<ul style="list-style-type: none"> ☐ Topic 8 – Financing the Venture <ul style="list-style-type: none"> ○ Case Study – Mount Romance (Textbook Chapter 8) ☐ Topic 9 – Technology, Technopreneurs & Disruptive Innovations <ul style="list-style-type: none"> ○ Case Study – Davies Craig EWP (Textbook Chapter 9) ☐ Topic 10 – Intellectual Property Management & Commercialisation <ul style="list-style-type: none"> ○ Case Study – AQ2 Smartaflow (Textbook Chapter 10) ☐ Topic 11 – Team Building & Company Leadership <ul style="list-style-type: none"> ○ Case Study – AQ2 Smartaflow (Textbook Chapter 11) ☐ Topic 12 – Social Entrepreneurship <ul style="list-style-type: none"> ○ Case Study – Bendigo Bank (Textbook Chapter 12) ☐ Group assignment finalisation
Day 5	<ul style="list-style-type: none"> ☐ Group assignment presentations

Texts and Resource Materials

All students enrolled in this unit will get a copy of the textbook:

Mazzarol, T.W. (2011) *Entrepreneurship and Innovation: Readings and Cases* 2nd Edition, Tilde University Press, Melbourne.

Lecturer Profile

Professor Tim Mazzarol

Tim Mazzarol is a Winthrop Professor within the UWA Business School where he specialises in entrepreneurship, innovation, small business management, strategy and marketing. He is also an Affiliate Professor at the Burgundy School of Business, Groupe ESC Dijon Bourgogne, France. Tim joined UWA in 2001 and was the founder Director of the Centre for Entrepreneurial Management and Innovation (CEMI) from 2003 to 2007, then Director of Doctoral Programs at the Business School from 2008 to 2009. In 2010 he re-established CEMI as a virtual centre at www.cemi.com.au.

Prior to joining UWA he was at Curtin University from 1994 to 2000 where he was a Research Fellow with the Institute for Research into International Competitiveness (IRIC) and Executive Director of the Small Business Unit.

He has published widely in the field of entrepreneurship, innovation and small business management including several books such as *The Strategy of Small Firms: Strategic Management and Innovation in the Small Firm*, *Entrepreneurship and Innovation: A Manager's Perspective*; and *Small Business Management: an Applied Approach*. He has worked with small entrepreneurial firms as well as large corporations and government agencies. This has included strategic management, marketing and support to commercialization. Tim has also designed several innovative courses in strategic management, marketing, entrepreneurship, innovation and small business management for both MBA level programs and industry professional development.

He has undertaken over 150 projects in the areas of market research and economic or community studies for government and industry clients including the Government of Canada, RAC, Bank of Western Australia, LandCorp, City of Belmont, Australian Education International, State West Credit Society, WA Potato Marketing Board, TimberCorp Ltd, CSIRO, Department of Land Administration, LandCorp, Agriculture Department of Western Australia, Eastern Metropolitan Regional Council, Small Business Development Corporation, WA Department of Industry and Resources, WA Department of Education and Training, WA Department of Planning, Cooperatives WA, Wesfarmers Ltd, Water Corporation, WA Football League, WA Trotting Association, Racing and Wagering WA, Lavan Legal, WA Department of Education Services, the Institute of Public Administration Australia and Nokia Corporation.

Prior to taking up an academic career Tim served with the Australian diplomatic service including a posting to Bangkok during the late 1980s, and as a sales manager with National Mutual Ltd. He has been a shareholder and non-executive director for two small companies, as well as a member of the Board of the Association for the Blind of WA, and consults widely to both industry and government. Tim has authored two text books on small business and entrepreneurship and innovation. He holds a PhD in Management and an MBA with distinction from Curtin University of Technology, and a Bachelor of Arts with Honours from Murdoch University, Western Australia.

References:

- European Commission (2003). *Green Paper - Entrepreneurship in Europe*. Brussels, Commission of the European Communities.
- OECD (2010). *SMEs, Entrepreneurship and Innovation*. Paris, Organisation for Economic Co-operation and Development.
- Schumpeter, J. (1934). *The Theory of Economic Development*. New York, Harvard University Press.