



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

UNIT OUTLINE

(Indicative Syllabus)

Entrepreneurship & Innovation in an Asia-Pacific Context

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.¹

Small firms currently provide employment for about 70% of the entire workforce in Japan and Taiwan and comprise around 98% of all businesses across the APEC member countries. They are also a major source of income and opportunity for families including women within the APEC region.

There is no presumption, however, that entrepreneurship can be "taught", because entrepreneurs have their own peculiar way of doing things. A distinction also needs to be made between the entrepreneur, being enterprising and small business management. Each of these things can be quite different. Entrepreneurs can lead large companies - e.g. Richard Branson or Bill Gates – 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.² 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.

¹ European Commission (2003). *Green Paper - Entrepreneurship in Europe*. Brussels, Commission of the European Communities.

² Schumpeter, J. (1934). *The Theory of Economic Development*. New York, Harvard University Press.

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

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:

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

The Entrepreneur: mind and action

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.

Learning Outcomes:

1. Examine the psychological and social trait theories of entrepreneurship
2. Consider the environmental factors likely to trigger enterprising behaviour
3. Complete a entrepreneurial self-assessment
4. Ability to relate theories of entrepreneurship to individual vocational and professional context

The Entrepreneurial Process

Creativity and its links to enterprise, the three stage process of entrepreneurship; Opportunity screening; Innovation and competitive advantage; Acquiring resources – financing ventures and the role of family, friends and fools; Team building for entrepreneurial growth

Learning Outcomes:

1. Consider the role of creativity in entrepreneurship and innovation
2. Understand the entrepreneurship process and relate this to a case examples
3. Understand and make use of opportunity screening frameworks
4. Recognise the need to develop support networks to provide resources for enterprise opportunities.

Intrapreneurship

New venture creation in established organisations; The intrapreneurial process; The middle manager as an entrepreneur; The roles of sponsors and climate makers.

Learning Outcomes:

1. Consider the process of intrapreneurship
2. Understand the difference between managers and entrepreneurial managers
3. Understand the impact of organisational structure and culture on creativity and enterprise in the firm
4. Ability to relate these understandings to a case example

Small Business & Family Business

Overview of the small business sector; Differences between entrepreneurs and owner-managers; 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:

1. Consider the difference between 'lifestylers' and entrepreneurs
2. Understand the entrepreneurial growth cycle of SME's
3. Understand the role of support networks in small business development
4. Understand the need for owner-managers to balance strategy, structure and resources
5. Ability to apply these concepts to a case example

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:

1. Understand the process of innovation diffusion
2. Review theories of adoption and diffusion
3. Understand the role of support networks in small business development
4. Understand the need for owner-managers to balance strategy, structure and resources
5. Ability to apply these concepts to a case example

Entrepreneurial Vision versus the Planning Ethos

Planning versus serendipity; Integration of analysis and action; Flexibility and changing course; Building a vision into new ventures; The role, pros and cons of business planning; Use of Business Planning concepts at all kinds of organizations; The contexts behind new ventures.

Learning Outcomes

1. Understand the role and relevance of planning
2. Understand how to integrate analysis and vision
3. Appreciate how entrepreneurs find value
4. Identify skill requirements/matches for new ventures

Financing the venture

Scale and role of venture capital; Boom and bust cycles in venture capital; Classes of capital (boot strapping to IPO); Exit and value harvest; The importance of venture teams; venture capital in a global marketplace; the relationship between funding and innovation.

Learning Outcomes

1. Understand how new ventures are financed
2. Understand how to position new ventures for appropriate funding
3. Appreciate global funding networks and venture capital
4. Understand the role of venture capital in innovation and commercialisation

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;

Learning Outcomes:

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

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; Securing rent returns to innovation investment; Working within the network; Public policy toward commercialisation.

Learning outcomes:

1. Understand the nature of IP, IP Rights
2. Review basic legal frameworks and sources of IP protection
3. Understand the relationship between IP, innovation and business growth
4. Understand the process of commercialisation
5. Review government policy support for commercialisation.

Building team and the company leadership

Corporate structure and governance for high growth firms; Early stage teams and late stage teams; Pick the people you need not the people you can afford; Importance of the team.

Learning outcomes:

1. Examine the role of advisory and management boards
2. Understand the importance of corporate governance
3. Understand the importance of building a team for venture growth
4. Consider different types of team development in fast growth ventures
5. Understand the relationship between innovation and culture.

Grading and results

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

Your home university will determine your final grades for your AISAM 2009 studies and advise you of those grades. You will also receive from ANBS a letter indicating the Mark and grade recommended by ANBS to

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 of no less than 3000 words and no more than 5000 words prepared after the AISAM 2009 program. This assignment must be received at the ANBS Office Friday, September 10, 2010.

Schedule

Day 1	<input type="checkbox"/> Entrepreneurship & Innovation: A Social & Economic Process <input type="checkbox"/> The Entrepreneur: Mind and Action <input type="checkbox"/> The Entrepreneurial Process
Day 2	<input type="checkbox"/> Intrapreneurship <input type="checkbox"/> Small Business & Family Business <input type="checkbox"/> Adoption & Diffusion of Innovation
Day 3	<input type="checkbox"/> Entrepreneurial Vision versus the Planning Ethos <input type="checkbox"/> Financing the Venture <input type="checkbox"/> Technology, Technopreneurs & Disruptive Innovations
Day 4	<input type="checkbox"/> Intellectual Property Management & Commercialisation <input type="checkbox"/> Building the Team & Company Leadership <input type="checkbox"/> Integration and case study analysis <input type="checkbox"/> Group assignment finalisation
Day 5	<input type="checkbox"/> Group assignment presentations

Texts and Resource Materials

All students enrolled in this unit will get a copy of the textbook, *Entrepreneurship & Innovation: A Manager's Perspective* by Tim Mazzarol.

Lecturer Profile

Professor Tim Mazzarol

Tim Mazzarol is Professor of Management and Marketing and Director of Doctoral Programs at the UWA Business School, the University of Western Australia. He was formerly the Director of the UWA Centre for Entrepreneurial Management and Innovation (CEMI). He has fifteen years experience of working with small entrepreneurial firms as well as large corporations and government agencies. This has included strategic management, marketing and support to commercialization. He has designed several innovative courses in strategic management, marketing, entrepreneurship, innovation and small business management for both MBA level programs and industry professional development. This includes the pioneering Innovation Excellence Program (IEP) at UWA, and specialised workshops for the WA Government 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 is a shareholder and non-executive director for two small companies and consults widely to both industry and government. Tim has authored two text books on small business and entrepreneurship and innovation. His research into small business management has been published internationally. 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.