

Entrepreneurial Leadership & Organizational Behaviour

ENT 612

Lecture 1



Introduction to Entrepreneurial leadership

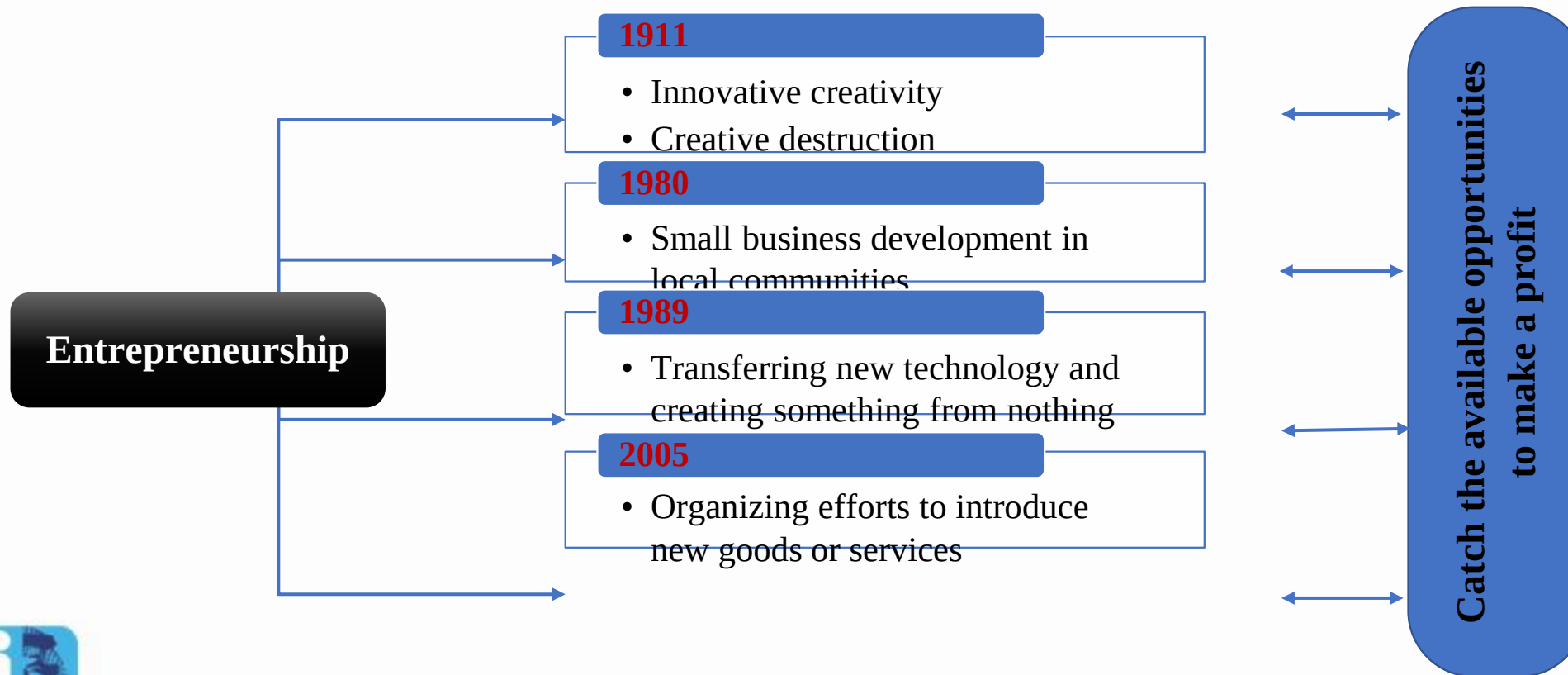


This lecture covers the following topics

- Overview of the Entrepreneurship terms
- Who is the Entrepreneur?
- Definition of a Leader
- The 3P's
- What is the Leadership
- Entrepreneurship
- Entrepreneurial leaders
- The five forms of entrepreneurial leadership
- The five steps of the “Opportunity Model”



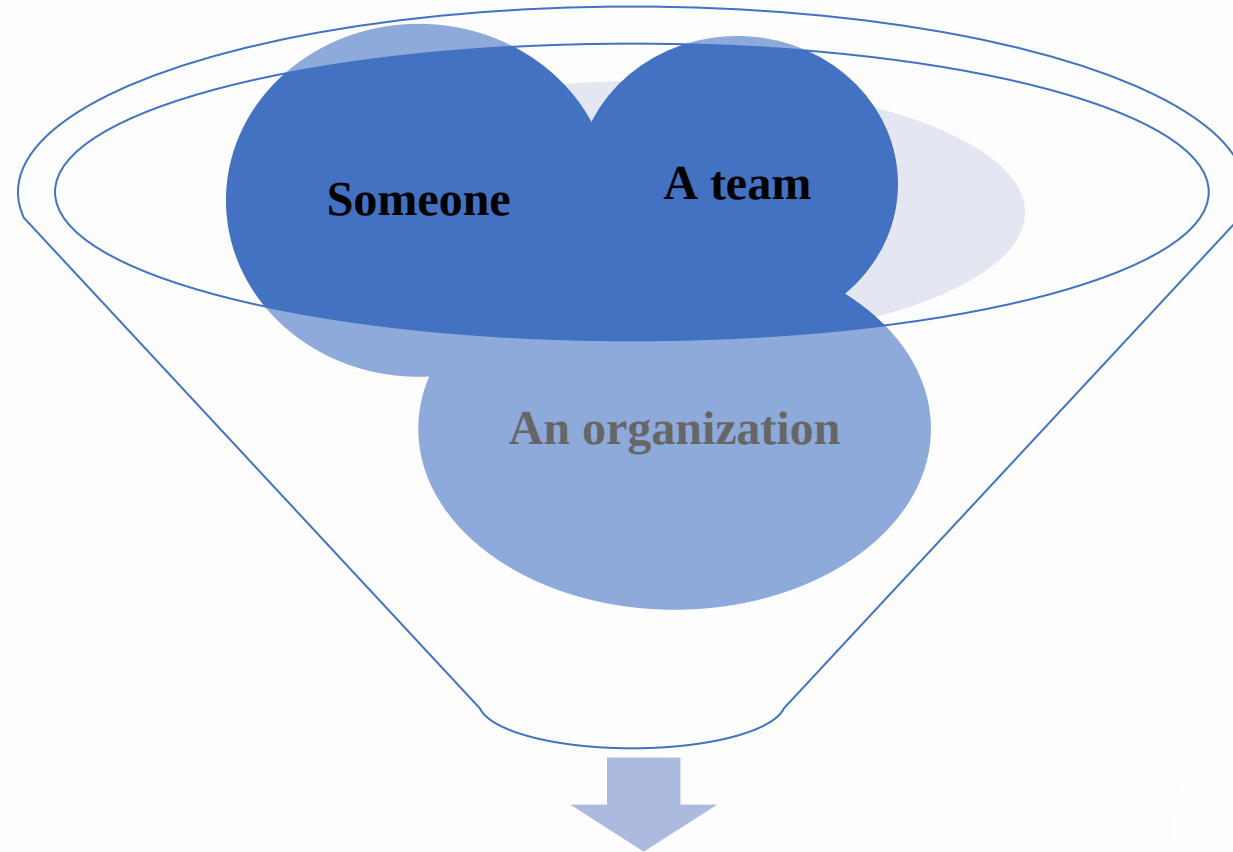
Overview of the Entrepreneurship terms



Who is the Entrepreneur?

An entrepreneur is someone who has an **idea** and who works to **create a product or service** that people **will buy**, as well as an organization to support that effort. An entrepreneur takes on most of the **risk** and **initiative** for their new business and is often seen as **visionary** or **innovator**.

Who is the Entrepreneur?



Who changes an opportunity into a commercial success.

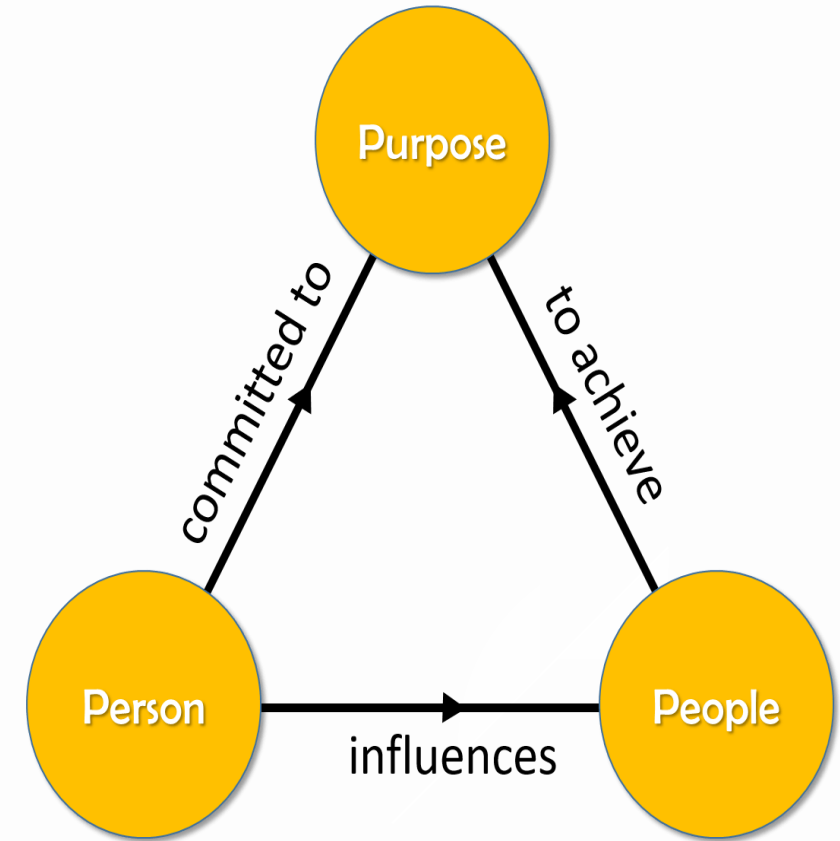
Definition of a Leader

A leader is "a person who influences a group of people towards the achievement of a goal". A mnemonic for this definition would be **3P's** - Person, People, and Purpose as illustrated by the following diagram.

The
3P's

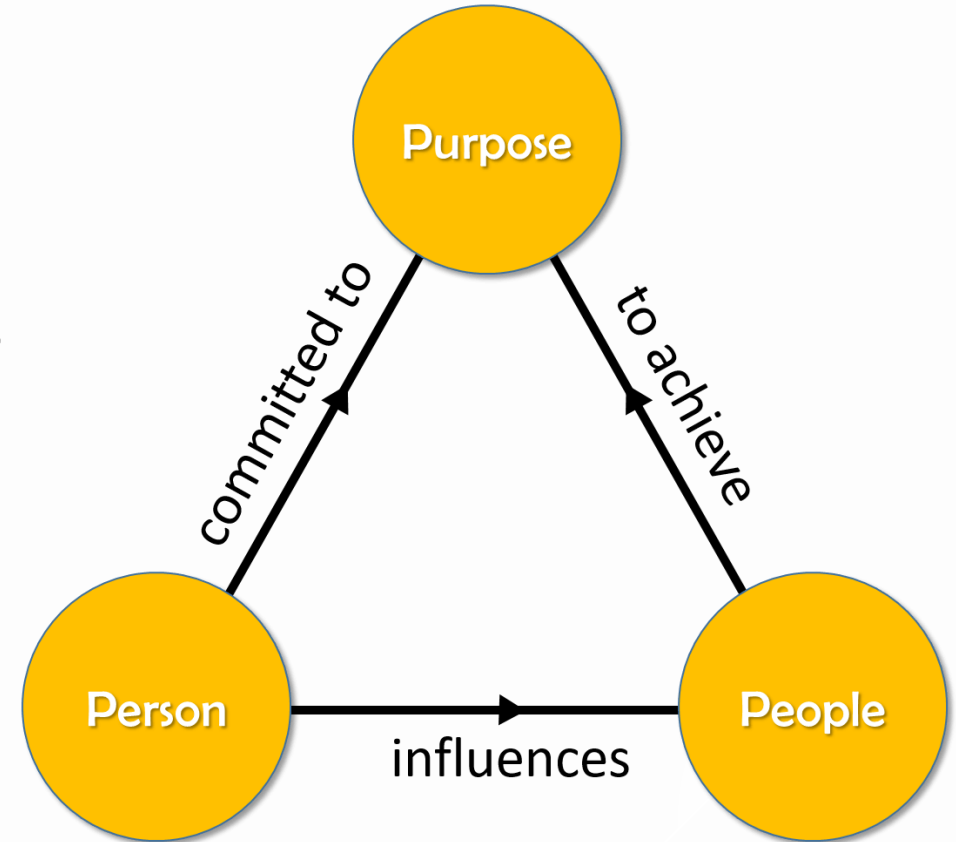
1. Person

A leader by this meaning is one who **goes first** and **leads by example** so that others are motivated to follow him. This is a basic requirement. To be a leader, a person must have a **deep-rooted commitment** to the goal that he will strive to achieve it even if nobody follows him!

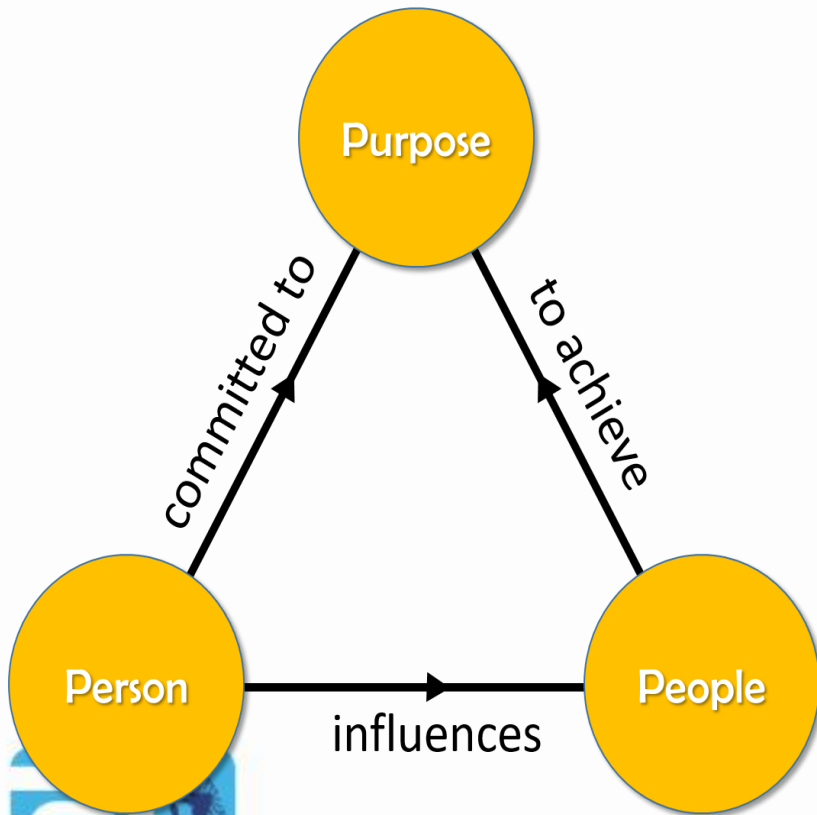


2. Purpose

A requirement for leadership is personal vision - the ability to visualize your goal as an accomplished fact; a thing already achieved.



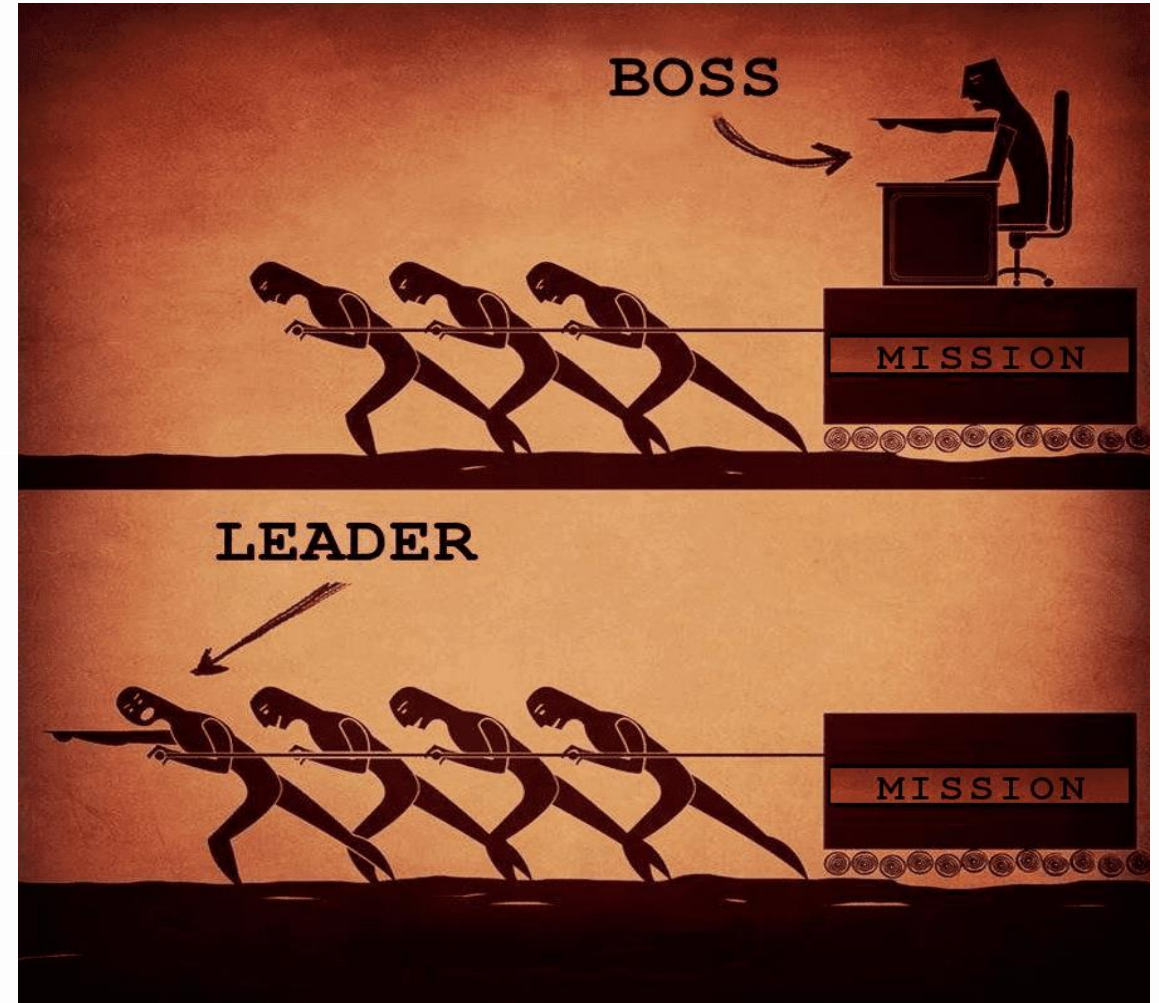
3. People



The next requirement is the realization that the goal **cannot be achieved alone**, without the help of others. Is there a natural grouping of people from whom you can elicit help? Or do you have to recruit your followers? In the latter, you face a greater challenge.

What is the Leadership

Leadership is the accomplishment of a goal through the direction of human assistants.



This special form of leadership begins with the creative process often referred to as “**being entrepreneurial.**” This process is often characterized by taking financial risks in the hope of making a profit, or “being enterprising.”



Entrepreneurship, however, is much more than this; it is a process whose purpose is to generate new business.

“Business,” for the purposes of our discussion, is defined as products, services, and the organizations needed to deliver them.

The process starts with the ability to recognize an opportunity worth pursuing and knowing what is needed to bring it to market and make it successful



As a preliminary measure, the good **entrepreneurial leader realizes** that contrary to what might be the prevailing business ethos the art of generating new business is selfless, and not selfish.

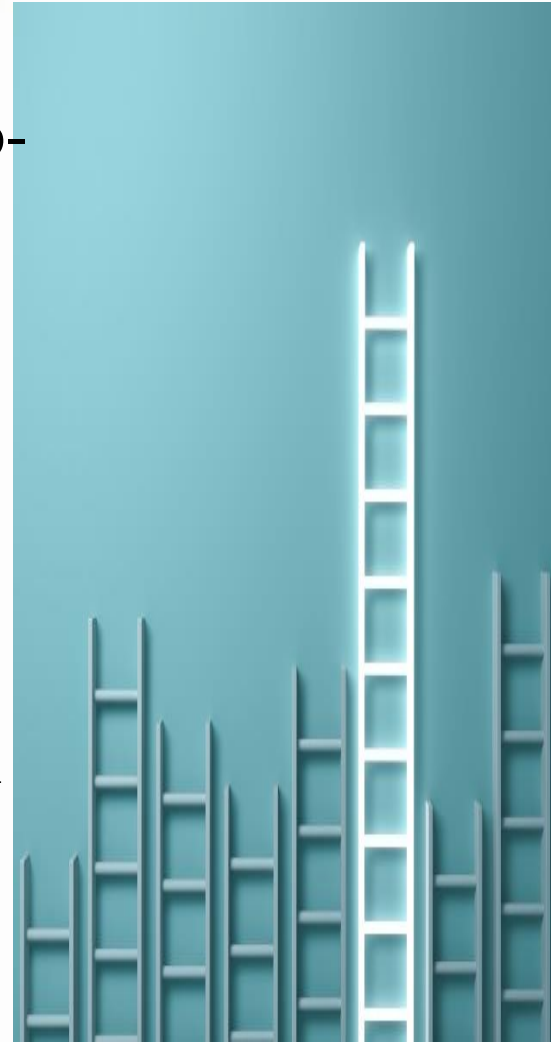
He or she understands that the business world should be a **“you”** world, not a “we” or “me” world.

By that I mean that good entrepreneurial leaders **focus** on **the needs and wants of the consumer**, knowing that by **satisfying the consumer** first, the “we” and “me” will benefit later.

Often, I've heard aspiring entrepreneurs referred to as “**dreamers**.” Yet up-and-coming entrepreneurial leaders are not dreamers, nor for that matter high-risk takers. They are visionaries who are goal-oriented and who take calculated risks.

I define a goal as **“a dream with an achievable plan”**.

Successful entrepreneurial leaders always have effective plans by which they can achieve their goals. They are **long-term**, rather than short-term, thinkers





In the words of Steve Case, co-founder of AOL said that “**The great entrepreneurs** that really have had a *significant impact in the world take a long-term view.*

They really think of it in **decades**, not years or months. They really believe that in **the long run**, they’re going to have a **tremendous impact.**”



Amazon founder Jeff Bezos also emphasizes the importance of long-term thinking.

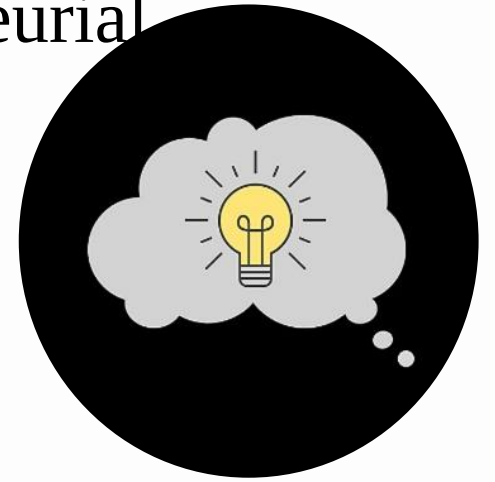
“If everything you do needs to work on a **three-year time horizon**, then you’re competing against a lot of people,” Bezos told Wired magazine in 2011.

“But if you’re willing to invest on **a seven-year time horizon**, you’re now competing against a fraction of those people, because very few companies are willing to do that.”



Since **entrepreneurial leaders** are “**bred**,” not **born**, entrepreneurial leadership is a process that must be learned over time.

I have a good idea... if only it were me!



This is the mantra of almost every beginning entrepreneur. However, most ideas aren't business-generating opportunities, and looking for opportunities through one's own ideas most often ends up in frustration.

Throughout the twentieth and twenty-first centuries, scholars have struggled to define the concept of “**entrepreneurial leadership**.”

Joseph Schumpeter, one of the most influential economists of the twentieth century, noted that entrepreneurship itself had no fewer than *five “forms.”* These included, among others, “**the introduction of a new method of production,**” “**the exploitation of a new source of supply,**” and the “**re-engineering of business management practices.**”

Other scholars fell on the opposite side of the line, oversimplifying the concept of entrepreneurship. Entrepreneurship, said Ludwig Von Mises, one of the last members of the original Austrian School of economics, is the driving force of the market that is to say, of **civilized society** while entrepreneurship professor William B.

Gartner defined it as **“the creation of new organizations.”**

Entrepreneurial leadership is not, as many people seem to believe, just the ability to form an organization. No, **entrepreneurial leadership** is much more than creating start-ups. It is a process whose purpose is to generate new business.

The process involves recognizing an opportunity to pursue and forming a team and an organization to deliver it, keeping in mind that entrepreneurial leaders are the driving force behind generating new business.

As soon as I'd defined entrepreneurship, the five-step Opportunity Model fell into place. It highlights the process of generating new business. This process isn't confined to privately owned companies, publicly traded companies, or non-profits. It's certainly not confined to companies just starting out, either.

Entrepreneurial leadership is vital to all forms of organizations at all stages of their development. Entrepreneurial leaders are the driving force behind generating new business, and all organizations need new businesses to sustain themselves and grow.

While working for Carl, I developed unique pricing strategies and designed catchy “point-of-purchase” materials. The net result of my efforts was a **35 percent increase in business** the first year they were introduced. From that point on, *I never stopped generating new business throughout my career.*

With each new promotion, the process of generating new business grew easier. When I eventually became the owner of Adirondack Beverages, I helped our people develop a highly effective new-product program, a program that is the basis of my Opportunity Model



The model can be applied to any venture in the world, and every one of these ventures would benefit by having an entrepreneurial leader in its ranks.



entrepreneurial leadership is needed by all organizations regardless of size, or whether they're profit or non-profit.

Entrepreneurship is “risky” because “so few of the so-called entrepreneurs know what they are doing

According to a recent report, nearly 80 percent of would-be entrepreneurs in the United States are millennials, or those born from approximately 1980 to 1994.

“[Millennials are] enthusiastic about entrepreneurship.

The Internet and the success of young entrepreneurs like Facebook founder Mark Zuckerberg have all impacted this influential group.

No matter what age business owners might be, entrepreneurial leadership remains an extremely important subject for all.



Sadly, the failure rate of US start-ups remains staggering, at more than %50.

Many entrepreneurial leaders are still in need of a practical compass.

The five steps of the “Opportunity Model”



Where Do I Begin?



The entrepreneurial process begins with recognizing an opportunity, which is the chance to create a product, service, or organization and successfully bring it to market. Recognizing an opportunity can happen in the start-up stage, or in the midst of a well-established company or organization. The most critical thing an entrepreneurial leader must know how to do is recognize an opportunity worth pursuing.



Identify a Commercially Viable Problem



1. Identify a Commercially Viable Problem

The problem you identify must be ready to **be solved**, and the **solution** to the **problem** must be *commercially viable*.

In other words, there must **be a large enough demand** for a solution if the product or service is to be commercially viable.





**Create a Product or Service That
Has a Strong Competitive and
Comparative Advantage**



2. Create a Product or Service That Has a Strong Competitive and Comparative Advantage

Your product or service must be **unique**, in that it must be positioned as better in some way than **existing products and services**. Securing effective distribution channels, as well as creating awareness for your product or service, is also essential to achieving a competitive and comparative advantage.





Ensure That Your Product or Service Is Sustainable through Patents, Trademarks, First-Mover Advantage, and Continuous Improvement



3. Ensure That Your Product or Service Is Sustainable through Patents, Trademarks, First-Mover Advantage, and Continuous Improvement



Successfully launching your product or service is a great first step, **but long-term success** is dependent on **protecting your intellectual capital** with **patents or trademarks**, or both. Staying ahead of your competitors also means continuously improving your product or service.

4

Secure Your Product or Service's Profitability

4. Secure Your Product or Service's Profitability

Due to **initial start-up costs**, very few products or services are profitable when they're first introduced. Yet survival and success are dependent on taking in more than you pay out. **Profits** are for a company what a salary is to an employee.



5

Build an Effective Team



5. Build an Effective Team

While all new products or services begin with a sole individual's idea, they seldom get off the ground without a team. That team should include ***both the entrepreneurial leader and team members*** with complementary skills.



Conclusion

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References

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- Definition of a Leader: <https://www.vtaide.com/gleanings/leader.html>
- Understanding Leadership, Harvard Business Overview: <https://hbr.org/2004/01/understanding-leadership>

*Thank
you*

*Wish you
all the best*

