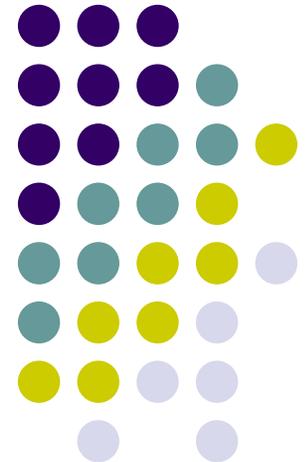


# ENTREPRENEURSHIP

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Monica Zimmerman, Ph.D., CPA  
West Chester University





# Entrepreneurship

- Creation of new businesses
- Small businesses
- Sole proprietorships
- Family owned businesses
- High growth businesses
- Franchise ownership
- Innovative established businesses
- Intrapreneurship



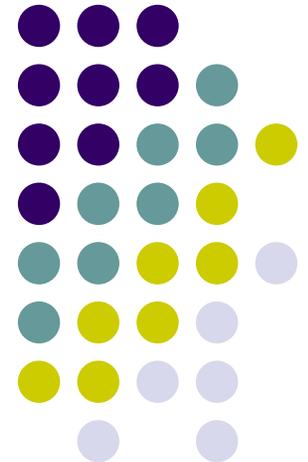
# Intrapreneurship

- Creation and/or innovation within an existing business
- Examples of intrapreneurial companies
  - 3M
  - Apple Computer
- Need for intrapreneurship

Today we will discuss  
*entrepreneurship* in terms of

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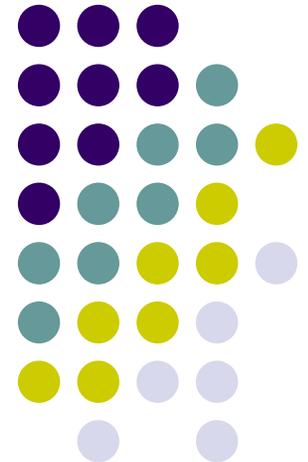
*The creation of a new business*



# IDEA GENERATION

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***“HOW IT ALL BEGINS”***



# ENTREPRENEURIAL PROCESS



1. Idea Generation
2. Feasibility Study
3. Business Plan



# IDEA GENERATION

- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
- Ideas to avoid
- Group exercise

# IDEA GENERATION



- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
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- Group exercise

# GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:



## *MARKET DRIVEN*

- Solve a problem
  - Find a market need
  - Customer focused not product driven
- Targets an identified sizeable market segment

# GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:



## *FEASIBLE*

- Attractive – there is a demand
- Achievable – it can be done
- Durable – it lasts
- Value creating – it is worth something
- Safe
- Affordable

# GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:



## *UNIQUE*

- Faster/Better/Cheaper
- Differentiated (vs. commodity)
- They have a “Special Sauce”

# GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE:



## *FUNDABLE*

- Revenue stream
- Manageable risk
- Sustainable - Market exists with frequency of purchase
- Scalable or Replicable
- Barriers to entry
- Growth potential
- Product pipeline
- Exit plan
- **Innovative**



# INNOVATIVE

## Radical vs. Incremental<sup>1</sup>

- Invention
- Extension
- Duplication
- Synthesis

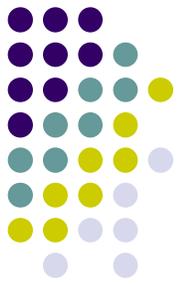
<sup>1</sup> Kuratko & Hodgetts, *Entrepreneurship: Theory, Process, and Practice*

# GOOD ENTREPRENEURIAL BUSINESS IDEAS ARE OFTEN BASED ON:



## Intellectual Property

- Copyrights
- Trademarks
- Patents
- Trade Secrets



# IDEA GENERATION

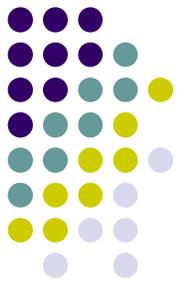
- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
- Ideas to avoid
- Group exercise

# SOURCES OF GOOD ENTREPRENEURIAL IDEAS



- Talk to friends, family and other contacts
- Read
- Examine surroundings
- Consider your
  - Hobbies/activities
  - Education
  - Work Experience
  - Personal Life
- Network

# SOURCES OF GOOD ENTREPRENEURIAL IDEAS



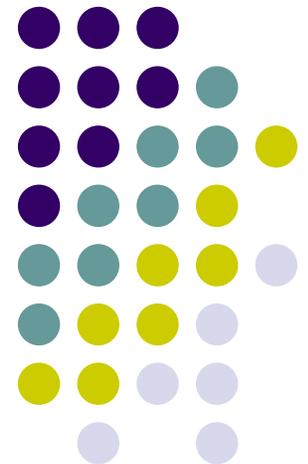
- Known needs not effectively met
- Geographic or business niches not currently served **or** under served niches
- Changes in
  - Market
  - Industry
  - Legal/ Political factors
  - Technology factors

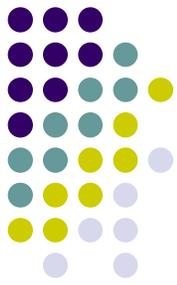
# Successful Entrepreneurs recognize an opportunity while it is still taking shape

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Skate to where the puck  
*will be* not where  
*it is* or *it was*.

O'Malia & Whistler, 2003





# IDEA GENERATION

- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
- **Ideas to avoid**
- Group exercise

# GENERATING A GOOD IDEA



## Avoid

- Unfavorable industries
- Unfavorable markets
- Crusades
- N of one
- One Hit Wonders
- Unsafe or illegal products/services



# IDEA GENERATION

- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
- Ideas to avoid
- **Group exercise**

# GROUP EXERCISE



- Think of a business idea
- Think of an everyday problem and the solution for it
- Be creative - No idea is too obscure/crazy/simple
- One idea per group
- 5 minutes



# IDEA GENERATION

- Characteristics of good entrepreneurial business ideas
- Sources of good entrepreneurial business ideas
- Ideas to avoid

# ENTREPRENEURIAL PROCESS



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