

SESSION: ENTREPRENEURSHIP AND INNOVATION (4 HOURS)

**Problem Identification (30 Minutes)**

In a very basic sense, businesses exist to solve problems or meet a need that customers are willing to pay for. One of the key foundations to entrepreneurship is identifying problems which sometimes are not even known to customers themselves. Whether due to lack of interest, dormancy or customers simply not being aware of they are missing, it is important for entrepreneurs to identify what is missing, find the pains of customers.

*Group brainstorming*

Have participants in groups draw a circle on a flip chart (at the center) and on sticky write the problems they are solving. If there are members without businesses yet, they can still work on the problems they have identified

*Out of the list, participants prioritise and write the **what is the key problem** in the circle on a flip chart*

*In the same groups, members brainstorm and write **why it is a problem** (above the circle)*

*Lastly, participants discuss and write **who has the problem** (below the circle). Specify the groups*

**Solution Mapping (40 Minutes)**

Businesses are created as entrepreneurs develop solutions to problems they identify in their communities.

*Back in the groups, participants discuss possible solution with the title **how are we solving the problem?***

*Draw pathways to show **divergent ways** that could be used to address the same problem. They can use icons or words to represent solutions in the pathways*

*Participants evaluate the various **options** and the **implications** of each of the **solutions** and settle on the best solution they think is most appropriate*

**Reflection (10 minutes)**

**Why did they choose a particular solution?**

**Are there new ideas coming up that could be helpful to refine their problems/solution?**

Entrepreneurship can be a daunting journey and at the same time rewarding for people who choose the path. It can be more confusing as a lot of work goes into blending energies, drive and ambition to change the world. This course is to guide participants through the process of starting their own business, from idea creation to budgeting to marketing and fundraising. Participants will gain the skills, knowledge and confidence to put their business idea into action.

Entrepreneurship originated from the French word *entreprendre* which means “to undertake”. It is a practise and a process that results in creativity, innovation to solve a problem. It involved identifying new ways of employing resources to achieve better results for enterprises.

The ILO (Youth Entrepreneurship Manual 2009) defines **entrepreneurship** as *the art of identifying viable business opportunities and mobilizing resources to convert those opportunities into a successful enterprise through creativity, innovation, risk taking and progressive imagination*. Entrepreneurship enables people to move from job seekers to job creators as they creatively develop products and services for unmet needs.

An **entrepreneur** is a person who identifies an opportunity and creates a business to produce product or service which satisfies customer needs. Both men and women can be entrepreneurs. The difference between entrepreneurs and business owners lies in the former constantly seeking to *creatively change* the way things are done while the latter focus on making a living and do things the same old way. Entrepreneurs are business-minded but business owners are not necessarily entrepreneurs.

### **Team Activity: Qualities of Entrepreneurs (30 minutes)**

*Ask participants to mention randomly the names of some entrepreneurs they know or have heard about in their community, country or globally. Write 10 of the names mentioned on a flip chart*

*Spark conversation by asking participants why they think those people are entrepreneurs*

*Ask what qualities they have in common and list them on a flip chart*

What are some of the qualities that can be related with entrepreneurs?

- ❖ Innovation>>> constantly tries new and better ways of working to their businesses
- ❖ Risk taking>>> set goals and take calculated risks to achieve them
- ❖ Identify opportunities>>> explores and seize opportunities by
- ❖ Adapts to changes>>> quickly responds to the growing needs
- ❖ Visionary>>> looks beyond the present and impossibilities and the patience to nurture dreams
- ❖ Initiate action>>>take bold steps towards challenging what exists
- ❖ Allocate resources>>> uses least possible inputs to achieve greater benefits
- ❖ Raise funds>>>confidently sells idea to convince funders to implement projects

### **Benefits**

- ✓ Creates jobs for the owners and people involved in the chain of business
- ✓ Allows entrepreneurs independence and job satisfaction for owners
- ✓ Encourages innovation and strengthen competition to deliver better goods
- ✓ Discovers new opportunities, resource use and new market for products
- ✓ Adopts better techniques and technology to improve production
- ✓ Enables businesses to enjoy tax advantages

## Challenges & Suggestions (60 minutes)

*Intro on participants thoughts on issues facing entrepreneurs*

*Divide participants into groups to brainstorm and list on a flip chart challenges faced (10 minutes)*

*Take turns to move to other groups to view what others have listed. Circle or checkmark what is common*

*In a bigger group, go through the point and let participants explain some points written. Encourage 3-5 people to share practical entrepreneurial challenges*

*From the list of items, share among groups to discuss ways to go address the challenges from two angles; how they can address it themselves as a group (internal) vs those that need help from outside (external)*

*Let each group present to the bigger group the approach and encourage participants to questions, do the solutions practical/relatable to their business? Any comments/additions etc.*

*Now go through the following the following to complement what has been discussed. Remember to create linkages with what the groups have done.*

1. **Cash flow Management** – when entrepreneurs do not have enough cash to pay bills or not sure when they are going to be paid by their customers for goods/service bought.

Negotiate with suppliers and customers to agree on better payment terms

Negotiate with customers to make part payment that can cover some operational cost to reduce the burden

2. **Raising funds** – This is often cited as they key challenge of entrepreneurs; having a great idea but no financial resources to get it running.



Identify new ways of raising funds such as people within your network and crowdfunding to reduce the reliance on very large funders which may be difficult to come by.

Focus on initial core customers who will be willing to buy the product and developed sizeable version of the product as resources may allow.

Identify the few customers who are willing to purchase the product. In some cases, depending on the level of trust, they may be willing to make part payment for the product to be developed for them. Negotiations and word-of-mouth efforts are powerful ways to grow organic customer base and raise funding

3. **Time Management** – a lot of business needs demand attention and time of the entrepreneur and can be overwhelming. As the owners and promoters of the business, entrepreneurs often multitask; doing too many things to achieve a goal.

Prioritise, plan and delegate to focus on the things that really matter.

Advice

Seek help and share tasks with other team members or get volunteers to help the workload when hiring full time staff is expensive.

Break very big goals into simpler achievable tasks daily and measure progress, one at a time.

- 4. Hiring Problems-** Getting the right team at work can be a headache. Recruiting, training, managing and retaining good talents require some level of skills and management abilities. The absence of leadership and people skills by within the entrepreneurs could affect the survival of the business no matter how brilliant the idea may be.

Advice

Approach hiring as though you are seeking for a business partners to work with. That's different from being an overlord doing people favour by employing them. Pay attention to the referees; they may provide some useful information even though it may not be 100% guarantee

Encourage open conversations at work to promote a sharing culture to understand staff, optimize their strength to improve for innovation and motivation.

Establish clear guidelines and expectations of them and measure performance

- 5. Product and Marketing Strategy** – Knowing and selecting the best product and how to sell effectively when not targeted can easily shift the focus of entrepreneurs and end up spreading themselves too wide and thin.

Advice

Refine idea and approach to select a segment of the market you can serve very well

Ask customers and potential buyers real questions on how the product can be useful to them

Measure our own strength and weaknesses and determine opportunities & threats to work on

Seek help from more experienced resource person and negotiate based on your budget

- 6. Leadership** – The journey demands entrepreneurs to exhibit good leadership qualities to lead themselves first, handle staff and customers, business processes and financial resources. It can be difficult for the work demand can be at odd times, high risk and all the uncertainties and the possibility of being discouraged especially at early stages of the enterprise when things are slow and nor promising.

Advice

Keep an open mind to embrace continuous learning from staff, customers, industry etc.

Continuously assess self, reflect on strength and weaknesses. Once you know them, no one can use it against you.

Seek mentors and join network of more experienced entrepreneurs to stay motivated.

Accept responsibility when things go wrong and don't forget to capture learning.

7. **Unfavourable Business Environment** – the general business environment is an important factor beyond the control of the individual entrepreneur. Factors such as high interest rate and utility charges, high production cost, long processes in getting licenses/permit, underdeveloped infrastructure, government regulations etc. can increase the burden of entrepreneurs when starting out or seeking to grow.



Learn from those who have already been there, seek expert advice

Read around on recent developments for updated knowledge

Join a credible and relevant business group or network to promote learning

### Innovation

Innovation is the introduction of a new method, idea or product a change to create value. As a business, innovation means applying creative ideas to develop a product or service for which customers will be willing to pay for the better experience.

General Discussion: (20 minutes)

*Ask participants to what comes to mind when they hear the word “innovation”*

*Ask 3-5 people to volunteer and talk about an innovative product/service or process they have experienced. It could either be developed by them or have seen others do it*

*Find out why do they think it’s an innovation and how has it added value to users*

### Innovation Could be.....(10 minutes)

1. Adopting **new ways** of using **existing product**. It could be by combining the different features/use of current products to serve a need; the need might have been served by previously by other means.  
Eg. Using waste plastic bottles/sachets to design dustbins
2. Identifying **faster, better and cheaper ways** to improve a process to produce a product/service.  
Eg. Koko King selling handy breakfast in traffic
3. Introducing **new services** to complement the initial business and improve features/experience  
eg. Woodin shop offering packaging services to customers who purchase clothes from outlets
4. Redesigning the core business to capture new markets  
Eg. A school rents out its /halls/spaces for events during vacation to earn extra income
5. Develop entirely new products in new markets and create its’ own demand

## **Creativity vs Innovation**

In many instances, creativity and innovation are used to mean almost the same thing but sometimes too draw some distinction between them. Creativity is the ability of a person to imagine new ideas in unique and different ways. It involves brainstorming to unveil something new which was hidden. Innovation goes the extra mile to apply and implement the new ways which involve taking risks to experiment the new ways. The distinction even though dependent on one another could be drawn from the fact that innovation puts creative ideas to action.

## **Why Innovate? (10 minutes)**

1. Solve business problems that face the organization. As things evolve, businesses need to think creatively to be ahead and find answers.
2. Work smart and be more productive. Innovation helps to identify better ways of doing work to save time and cost.
3. Promote brand and market products. Businesses can stand out from the crowd, show uniqueness to attract customers and increase sale
4. Beat competition by constantly improving strategies, products and process to better connect with customers
5. Attract the best talents. With a culture of innovation, better skilled people are likely to be attracted to the organization to keep growing

**Guide to Innovation: (20 minutes)**

Share icons among participants (2 each) on their **how** they will go about to innovation using the guide, expected **challenges** and **solutions**



**Ask** more questions to identify what is missing and understand the needs. Asking customers, staff and even non-users of a product the right and deeper questions, **listen** and reflect to open up better ways to improve work



**Observe** how customer use the product. Do they use it new ways or serve other unintended purposes? By watching how they use it, you could get great ideas that could be useful to meet change the way the product appears



Are there features of the products that could be **added** to be more efficient or **removed** to be more useful? A combination of existing parts may make it look new to please customers



**Collaborate** with other groups, organization, communities or people with a similar vision who have the skills you lack to innovate solutions. A shared vision can guide collective efforts to unleash creativity



Social networking is here to stay. Make use of interactive mediums to **engage** a wider audience, seek ideas, run opinion polls and **connect** with a bigger group with diverse taste to help innovate with their responses



Be intentional about innovation by including it in your business, by discussing it often and setting target around them. **Plan, discuss** with staff, **test** and **measure** often how the business is progressing with innovation



**Presentation:** (20 minutes)

Groups present action steps to innovation using the given icons.

**Reflection and Conclusion** (20 minutes)

What aspect of the work we do currently can we infuse innovation?

What will that innovation require?

What are our key lessons today?