



**Universität
Zürich** ^{UZH}

Department of Business Administration - Chair for Entrepreneurship

A Primer in Entrepreneurship

Prof. Dr. Ulrich Kaiser

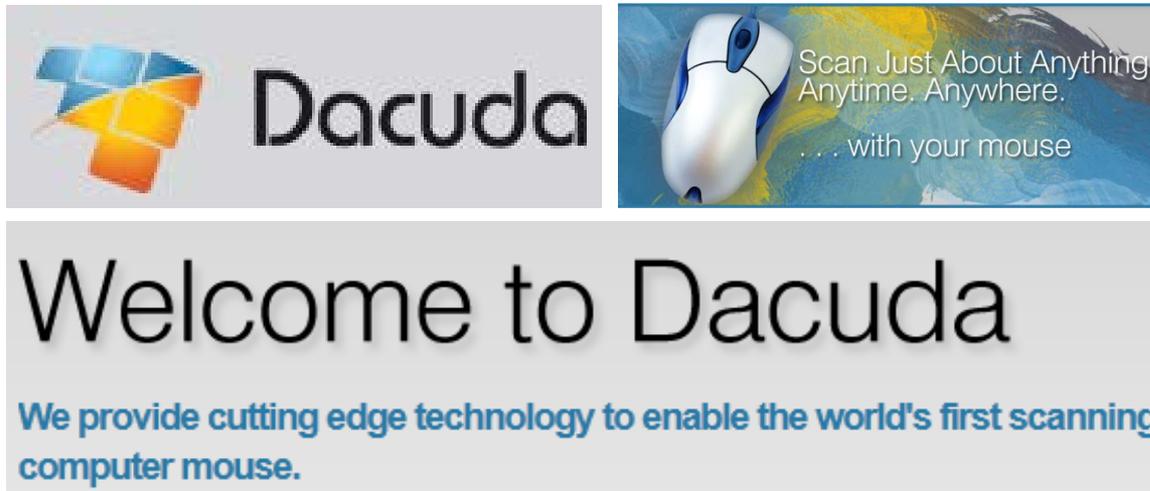
Chair for Entrepreneurship

Universität Zürich

Fall 2015



About Entrepreneurship – An Example



The founding team met during an event organized by Venture Challenge and came up with the idea to install a tiny camera into a computing mouse in order to turn it into a scanning device and increase its functionality.

The company “Dacuda” has been founded in 2008 and has counted 13 people in 2010. The company’s product is said to have a great chance to become the standard configuration of the prospective computing mouse.

Source: <http://www.dacuda.com/>

http://www.dacuda.com/files/press_releases/101020_Press_Release_Dacuda_Innovationspreis_IDEE-SUISSE.pdf



Dacuda last year

NEWS

2014-07-17 Dacuda PocketScan project successfully funded on Kickstarter

Dacuda's campaign on [Kickstarter](#) ended on July 16 with a great success. PocketScan, the world's smallest and smartest wireless scanner, were pledged by 4,586 backers from over 67 countries and a funding of \$542,732 has been raised, which is 1085% over initial goal with 3 stretch goals achieved.

For people who missed the Kickstarter campaign, PocketScan is now exclusively available in [Dacuda's online shop](#).

[Read it](#)

2014-07-15 Dacuda supports High-School Robotics Engineer

Since two years Dacuda supports Helveticrobot, a team of high-school robotics engineers. This year Helveticrobot takes part in RoboCup Junior Soccer world championship in Brazil. [Read it](#)

POCKETSCAN ON KICKSTARTER



PocketScan

Successfully funded!

1,085% **\$542,732** **Funded**
funded pledged Jul 16, 2014

<https://www.kickstarter.com/projects/1776222658/pocketscan>



Dacuda last year

<http://www.dacuda.com/about-us/management/>

http://www1.sunrise.ch/Dacuda-Scanner-Maus-cbAl3AqFI.gRYAAAE0gFNVT2Cb-Sunrise-Info-Site-WFS-de_CH-CHF.html

The screenshot shows a web browser window with the URL www.dacuda.com. The page features a dark blue header with the text "PocketScan - The World's Smallest Scanner". Below this, there is a message of gratitude for Kickstarter support and a link to learn more. A large image shows a hand holding the PocketScan mouse scanner over a white object, with a 3D model of the scanned object appearing on a computer monitor. The text "PocketScan" is visible in the top right of the image. Below the image, the heading "SCANNING. REDEFINED." is followed by a paragraph describing Dacuda's technology. To the right, a red Swiss cross icon is next to the text "Invented in Switzerland", followed by a paragraph about the SLAM Scan® technology. A "Learn more" link is provided at the bottom of this section.

www.dacuda.com

PocketScan - The World's Smallest Scanner

Thanks for your BIG support with our Kickstarter campaign!
All Kickstarter pledges are sold out now.
[Learn more](#)

If you missed Kickstarter, please pre-order PocketScan [here](#).

SCANNING. REDEFINED.

Dacuda is a Swiss software company offering a unique content capturing technology based on real-time image processing. Dacuda's patented, proprietary SLAM Scan® technology enables fast data entry of text and images, instant editing, as well as easy sharing of contents. It can be implemented into any device that embeds a camera. The world's first Scanner Mouse and leading smartphone based e-banking solutions are driven by Dacuda's technology.

Dacuda licenses its technology to leading hardware and software vendors.

+ Invented in Switzerland

SLAM Scan®, the technology behind the mouse scanner, was invented in Switzerland. It is based on recent advances in robotics and computer vision research.

[Learn more](#)

PocketScan on Kickstarter



Dacuda this year

dacuda.com

Meistbesucht Webmail UZH UZH - Entrepreneurshi... Erste Schritte

Dacuda
Scanning redefined.

HOME TECHNOLOGY SUPPORT COMPAN

Mobile 3D Scanning:
Easily create 3D contents
with your phone

Our algorithms can turn any smartphone
into a powerful 3D sensing device

LEARN MORE



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A Primer in Entrepreneurship

Part I

Lecture 1

An Introduction to Entrepreneurship

Prof. Dr. Ulrich Kaiser
Chair of Entrepreneurship
Universität Zürich

Fall 2015



Agenda

1. Introduction to Entrepreneurship

- 1.1 What is Entrepreneurship ?
- 1.2 Who is an Entrepreneur ?
- 1.3 Why become an Entrepreneur ?
- 1.4 Types of Start Up Firms
- 1.5 Myths about Entrepreneurs

2. Entrepreneurship's Importance

3. The Entrepreneurial Process



Questions



What are the characteristics of entrepreneurs and entrepreneurial firms ?



What influences the decision to become an entrepreneur ?



Why is entrepreneurship important ?

...to be answered in today's lecture.



1. Introduction to Entrepreneurship

	
entre prendre	between to take

Entrepreneur people who *take on the risk* or people who *undertake* a task
between buyers and sellers such as starting a new venture

Entrepreneurship process by which individuals pursue opportunities without regard
to resources they currently control

1.1 What is Entrepreneurship ?

Inventors and entrepreneurs differ from each other.

Inventor



An inventor creates something new

Entrepreneur



An entrepreneur assembles and then integrates all resources needed to transform the invention into a valuable business



1.1 What is Entrepreneurship ?

Corporate Entrepreneurship

practiced by established firms with an orientation to behave entrepreneurially

Entrepreneurial Intensity

describes the position of a firm on a continuum from highly conservative to highly entrepreneurial

Conservative Firm

Entrepreneurial Firm



Take a more “wait and see” posture

Proactive

Less innovative

Innovative

Risk-averse

Risk-taking

1.1 What is Entrepreneurship ?

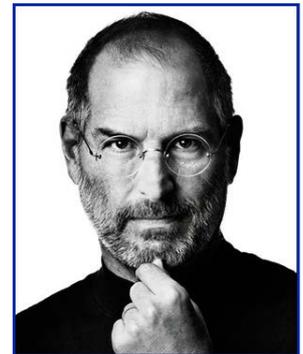
Apple Inc. is a textbook example of an entrepreneurial firm.



© 2012 Apple Inc.

“
Innovation is the distinction
between a leader and a follower.”

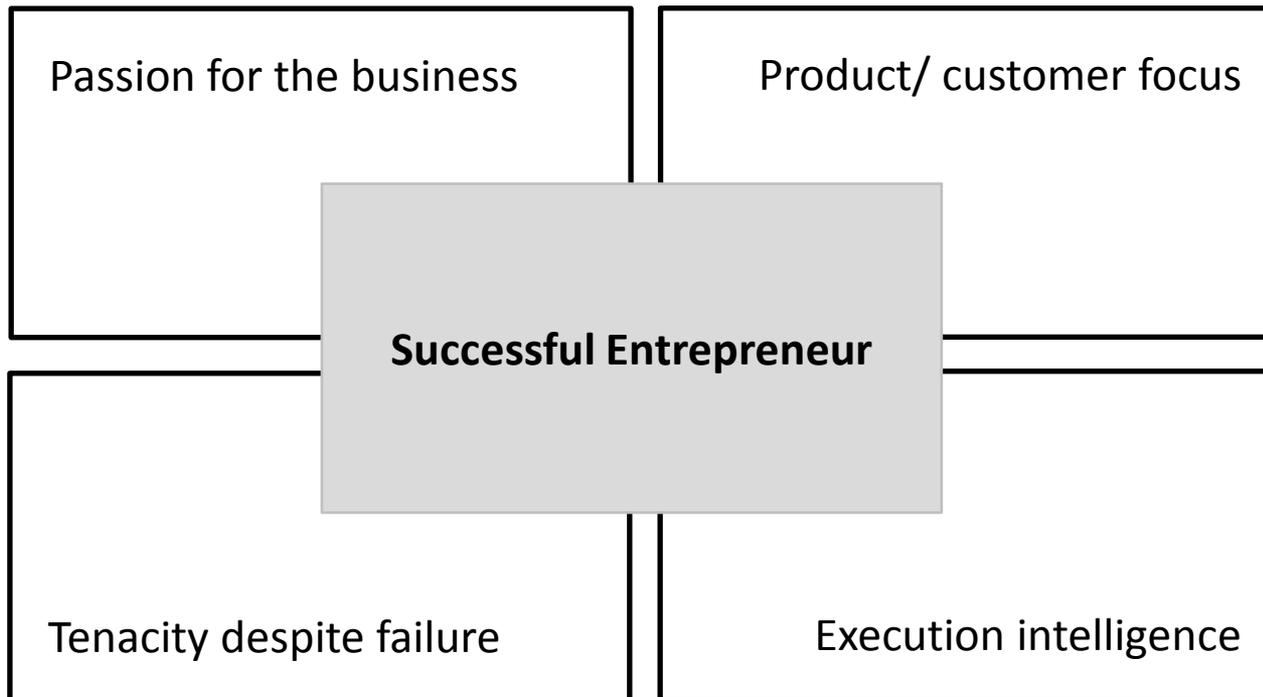
Steve Jobs, Co-founder and CEO Apple Inc.





1.2 Who is an Entrepreneur ?

There are four primary characteristics of a successful entrepreneur.



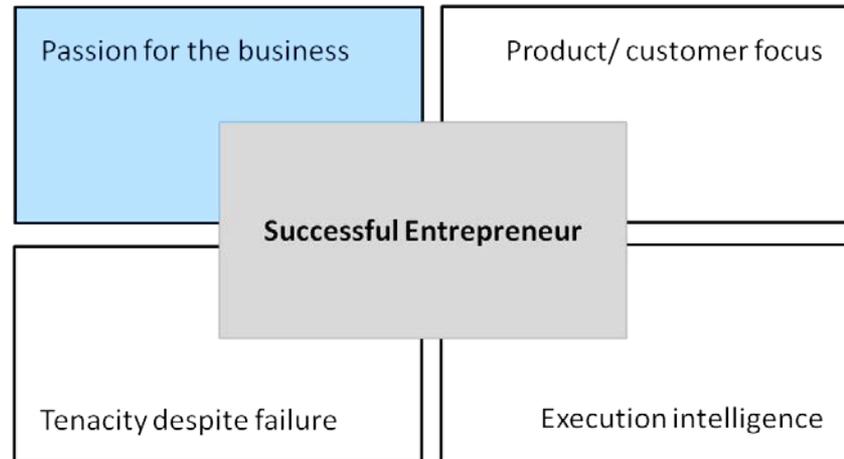
© 2008 Prentice Hall



1.2 Who is an Entrepreneur ?

The number one characteristic shared by successful entrepreneurs:
passion for their business.

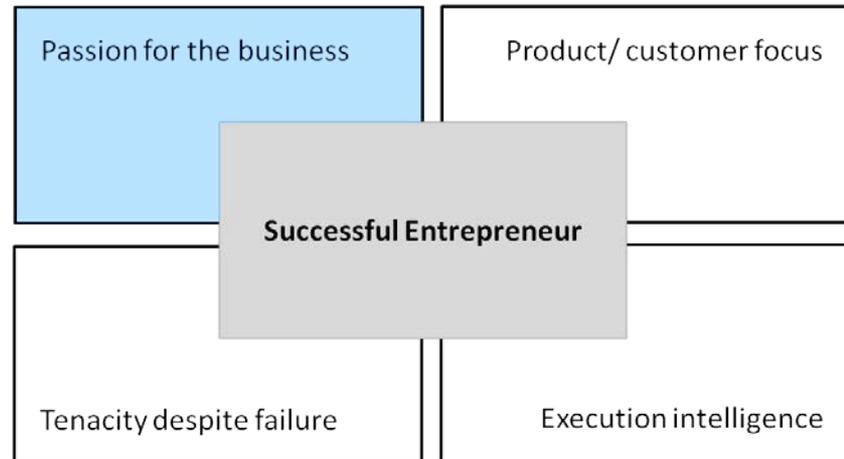
The passion for their business stems from the entrepreneur's belief that the business will positively influence people's lives.





1.2 Who is an Entrepreneur ?

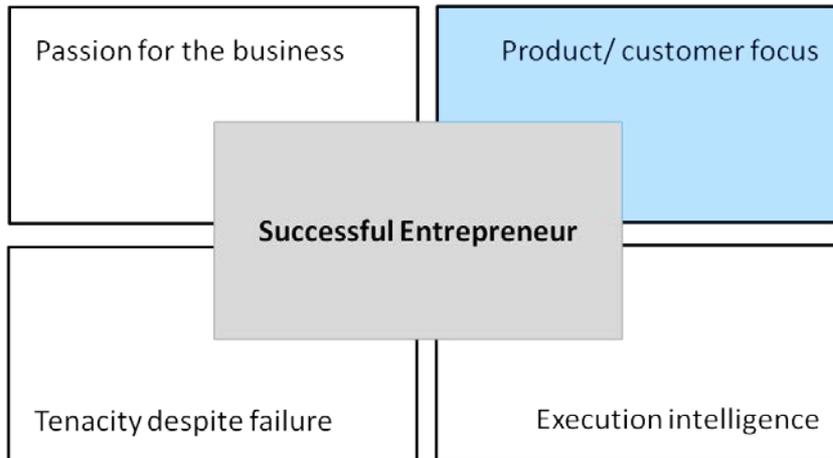
Steve Job's emphasizes the importance of passion for the business' success.





1.2 Who is an Entrepreneur ?

Successful entrepreneurs focus on the two very important elements - products and customers .



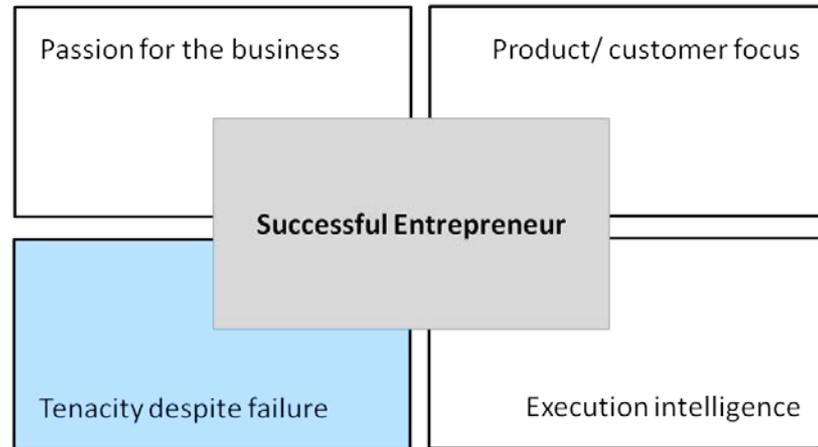
Keen focus on products and customers stems from the fact that most successful entrepreneurs are, at heart, craftspeople.



1.2 Who is an Entrepreneur ?

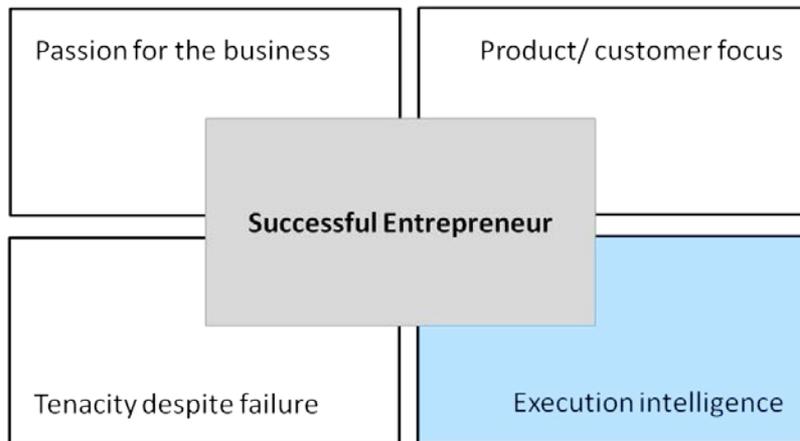
Since the failure rate associated with entrepreneurs' effort to try something new is naturally high, tenacity is very important.

Developing a new business may require experimentation before success is attained; setbacks and failures are inevitably; the litmus test for entrepreneurs is the ability to persevere through setbacks and failures.



1.2 Who is an Entrepreneur ?

The ability to fashion a solid business idea into a viable business is a key characteristic of successful entrepreneurs.



The ability to effectively execute a business idea means

- developing a business model
- putting together a new venture team,
- raising money,
- establishing partnerships,
- managing finances,
- leading and motivating employees,
- translating thought, creativity, and imagination into action and measurable results



1.2 Who is an Entrepreneur ?

Demographics of Entrepreneurs are changing.

-  **more**
- women
 - immigrants
 - youngsters
 - elderly → corporate downsizing
→ desire among older workers for more personal fulfillment
→ need to earn additional income

	Total	Manufacturing		Construc- tion	Services	
		Total	High tech		Total	BRS
Share female (in %)	21.6	19.1	24.6	9.7	23	18.1

Source: Marmet (2006)



1.3 Why become an Entrepreneur ?

There are three primary reasons to become an entrepreneur.

1.

Be my own boss

Either people have the long-term ambition to own their own firm or they have been frustrated by working in traditional jobs.

2.

Pursue own ideas

Some people are naturally alert and when they recognize ideas for new products or services, they have a desire to see those ideas realized.

3.

Realize financial goals

People are looking forward to the financial rewards; typically this reason is secondary to the first two (and often fails to live up to its hype).



1.3 Why become an Entrepreneur ?

	Total	Manufacturing		Con- struc- tion	Services	
		Total	High-tech		Total	BRS
Independence	76.7	70.2	61.1	65.9	78.5	81.5
Self-realization	59.4	57.5	48.6	57	59.9	60.9
Realization of own ideas from						
• <i>Wage-work</i>	53.6	51.4	52.4	41.6	55.1	60.8
• <i>University research</i>	3.3	1.6	5.9	0	3.8	4.2
Higher income and wealth	18.1	8.6	13.5	18.8	18.9	19.6
Market gap identified	36.4	35.7	54.1	23	38	40
To lead people	10.2	7.3	8.6	15.9	9.9	8.5
Dissatisfaction in previous employment	25.9	25.8	29.2	26.1	25.9	26
Unemployment	14.4	22.5	23.2	16.4	13.4	11.7
More flexible work sched	34.1	23	18.9	25.4	36.2	40.2
Better work/life balance	20.4	13	9.7	16.5	21.5	23.5
Gain in prestige	6.7	8.3	15.1	5.8	6.6	6.6
Family tradition	2.9	3.9	8.6	3.5	2.8	1.9

Source: Marmet (2006)



1.4 Types of Start Up Firms

There are three types of start-up firms.

	salary-substitute firms	lifestyle firms	entrepreneurial firms
definition	Small firms that afford their owner or owners a similar level of income to what they would earn in a conventional job	Firms that provide their owner or owners the opportunity to pursue a particular lifestyle and earn a living while doing so.	Firms that bring new products and services to market by creating and seizing opportunities
example	Dry cleaners, convenience stores, restaurants, accounting firms, retail stores, hairstyling salons	Ski instructors, golf pros, and tour guides	Google, eBay and Starbucks



1.5 Myths about Entrepreneurs

Myth 1 : Entrepreneurs are born, not made.

This myth is based on the mistaken belief that some people are genetically predisposed to be an entrepreneur.

ENTREPRENEURS 10/16/2013 @ 8:57AM | 5.955 views

Is Entrepreneurship In Your Genes?

+ Comment Now + Follow Comments

If you are an employee, are you wondering if entrepreneurship is in your future? If you currently own or run a [business](#), were you born to be an entrepreneur or did you have to work for decades to reach the point where you could be successful in your own business venture?

The exact mix of factors of genes and experiences that lead to an entrepreneurial tendency is hard to pin down. I thought a



Are entrepreneurial tendencies inherited or learned?

<http://www.forbes.com/sites/davickwilliams/2013/10/16/is-entrepreneurship-in-your-genes/>



1.5 Myths about Entrepreneurs

Myth 1 : Entrepreneurs are born, not made.

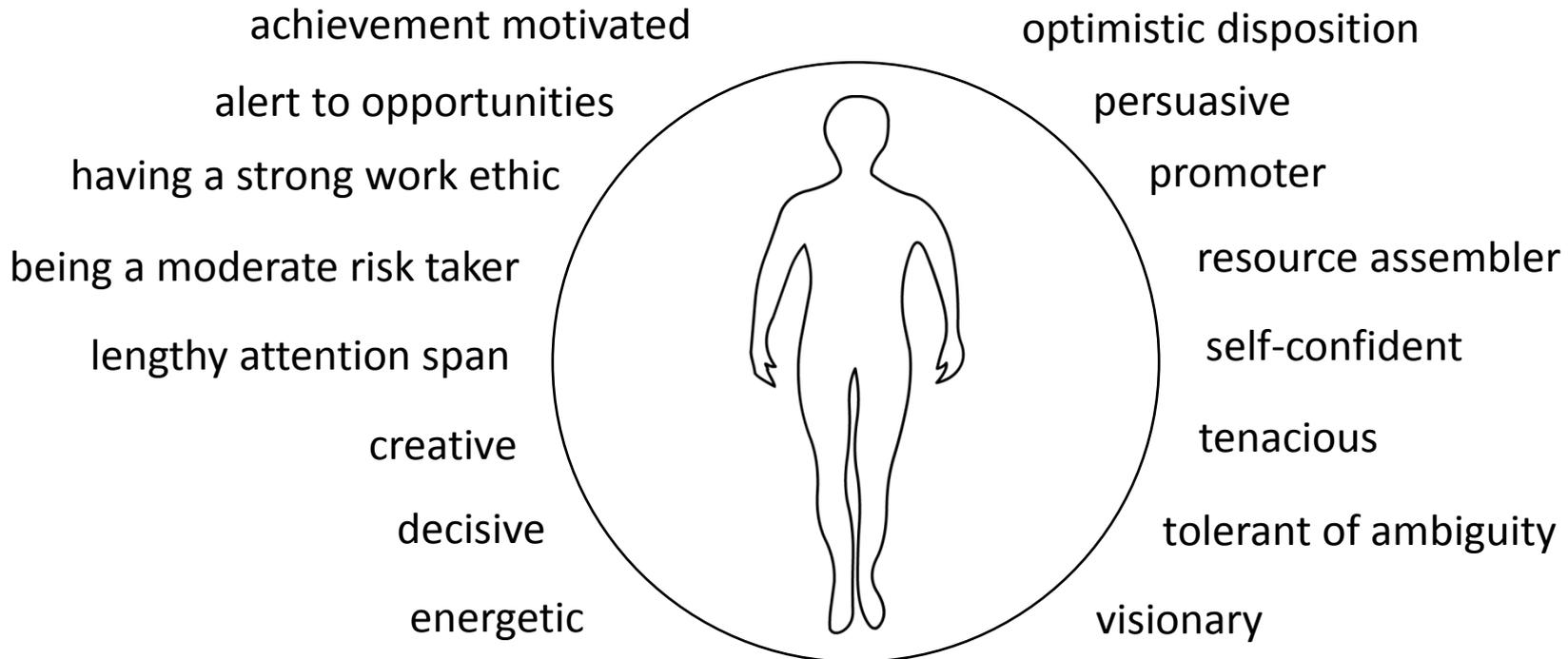
This myth is based on the mistaken belief that some people are genetically predisposed to be an entrepreneur.

Scott Shane, an entrepreneurship professor at [Case Western Reserve University](#) and author of the book *Born Entrepreneurs, Born Leaders: How Your Genes Affect Your Work Life*, conducted a study in which he found that inherited genes may lead to personality traits, such as extroversion or openness to new experiences.

If you are an employee, are you wondering if

1.5 Myths about Entrepreneurs

No one is “born” to be an entrepreneur, but there are common personality traits and characteristics of successful entrepreneurs.





1.5 Myths about Entrepreneurs

Myth 2 : Entrepreneurs are gamblers.

Entrepreneurs are usually moderate risk takers, as are most people.

1.5 Myths about Entrepreneurs

Myth 3 : Entrepreneurs are motivated primarily by money.

Entrepreneurs do seek financial rewards; money is rarely the primary reason entrepreneurs start new firms.





1.5 Myths about Entrepreneurs

Myth 4 : Entrepreneurs should be young and energetic.

While it is important to be energetic, investors often cite the strength of the entrepreneur (in terms of business experience, skill and talent) as their most important criterion in the decision to fund new ventures.

More often than not, older, rather than younger, entrepreneurs have the qualities that investors are looking for.

	Total	Manufacturing		Construc- tion	Services	
		Total	High tech		Total	BRS
Average age	39.4	40.1	42.9	38.6	39.5	39.7

Source: Marmet (2006)



2 Entrepreneurship's Importance

Entrepreneurship is important for the strength and stability of the economy.

Innovation

Small entrepreneurial firms are responsible for 55 percent of all US innovations. These innovations help working more efficiently and effectively.

Job creation

Economic activity has moved increasingly in the direction of smaller entrepreneurial firms; possibly because of the ability to innovate and focus on specialized tasks.

Globalization

Today more than 97 percent of all United States exporters are small businesses with fewer than 500 employees.



2 Entrepreneurship's Importance

Entrepreneurship is important for the strength and stability of the economy.

	Total	Manufacturing		Construc- tion	Services	
		Total	High tech		Total	BRS
Umfrage 2000 (N=1625)						
Export y/n	25.6	25.3	51.4	4.7	27.9	33.1
Share (given export)	39.5	43.9	43.8	42	39.1	37.8

Source: Marmet (2006)

2 Entrepreneurship's Importance

Innovations of entrepreneurial firms such as new products and services ...

- ... make lives easier,
- ... enhance productivity at work,
- ... improve our health,
- ... entertain us.



Many of these products and services were brought to market by entrepreneurial firms!



2 Entrepreneurship's Importance

But new innovations may create as well moral and ethical issues that societies are forced to grapple with.

Bar-code scanner technology and the internet have made it easier for companies to track the purchasing behavior of their customers, but this raises privacy concerns.



2 Entrepreneurship's Importance

Newsweek, May,27th, 2010; <http://www.newsweek.com/blogs/techtonic-shifts/2010/05/26/facebook-friend-foe-or-frenemy-.html>

facebook Friend, Foe, or Frenemy?

Mark Zuckerberg and company may be technological whizzes. But they've got a lot to learn about customer and public relations.

Zuckerberg pretends to believe that the biggest concern users have is how complicated Facebook's privacy controls are. But the real problem isn't the complexity of Facebook's privacy controls. The problem is the privacy policy itself.

Washington Post, May,24th, 2010; <http://www.washingtonpost.com/wp-dyn/content/article/2010/05/23/AR2010052303828.html>

Mark Zuckerberg answers privacy concerns

We have also heard that some people don't understand how their personal information is used and worry that it is shared in ways they don't want. I'd like to clear that up now. Many people choose to make some of their information visible to everyone so people they know can find them on Facebook. We already offer controls to limit the visibility of that information and we intend to make them even stronger.



BREAKING NEWS:
Duchess of



New home surge is
'catastrophic': Face



Buzz if you know
the answer... where

The Facebook Messenger backlash: Reviewers flock to complain as experts raise concerns about its privacy controls

- Facebook announced it was splitting its messaging service in April
- The changes have begun rolling out to users worldwide
- Annoyed members have flocked to app stores to complain
- Experts have also raised concerns about the app's privacy controls
- Android permissions give Facebook access to send texts and make calls
- Facebook responded with a blog post assuring users their data isn't at risk

By VICTORIA WOOLLASTON FOR MAILONLINE

PUBLISHED: 10:46 GMT, 14 August 2014 | UPDATED: 12:36 GMT, 14 August 2014

<http://www.dailymail.co.uk/sciencetech/article-2724728/The-Facebook-Messenger-backlash-Reviewers-flock-complain-experts-raise-concerns-privacy-controls.html>

2 Entrepreneurship's Importance

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Nachrichten > Netzwelt > Web > Facebook > Angela Merkel kritisiert Facebooks Umgang mit Hasskommentaren

Hetze im Netz: Merkel kritisiert Facebooks Umgang mit Hass-"Parolen"



Angela Merkel bei einem Auftritt in Berlin: "Facebook sollte gegen die Parolen vorgehen" AP/dpa

Ist Facebook zu lasch, wenn es um rassistische Kommentare geht? In einem Interview hat sich jetzt auch Bundeskanzlerin Merkel in die Diskussion eingeschaltet: Sie fordert das Netzwerk auf, gegen

<http://www.spiegel.de/netzwelt/web/angela-merkel-kritisiert-facebook-s-umgang-mit-hasskommentaren-a-1052376.html>



2 Entrepreneurship's Importance

Entrepreneurial firms have a positive impact on the effectiveness of larger firms.

Evidence shows that many entrepreneurial firms have built their entire business models around producing products and services that help larger firms to be more efficient or effective.

Some entrepreneurial firms are original equipment manufacturers and supply large firms.



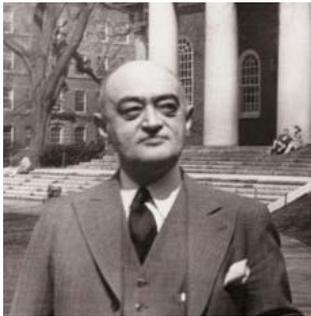
Many exciting new products, such as DVD players, digital cameras, and improved prescription drugs, are not solely the result of the efforts of larger companies with strong brand names.

These products were produced with the cutting-edge component parts or research and development provided by entrepreneurial firms.



2 Entrepreneurship's Importance

Being agents of innovation entrepreneurs are the key driver of economic progress.



Schumpeter's two greatest insights were that **innovation is the driving force** not only of capitalism but also **of economic progress** in general, and that **entrepreneurs are the agents of innovation**. Entrepreneurs are possessed by “the dream and the will to found a private kingdom”. But they are confronted with all sorts of obstacles. **Innovation is hard to produce and harder to sustain**: all successful businessmen stand on ground that is “crumbling beneath their feet”. And of course it produces losers as well as winners.

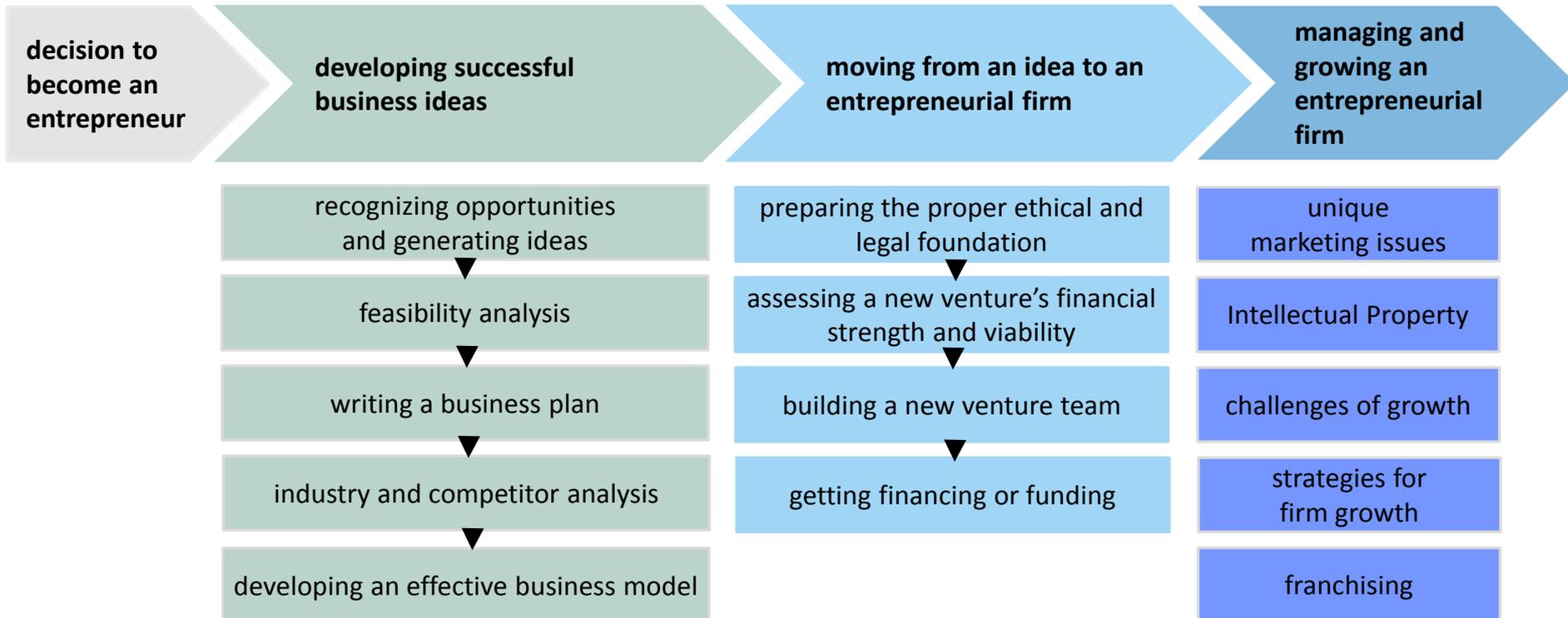
The Economist, April, 26th, 2007; <http://www.economist.com/node/9070610>

How are successful business ideas developed and turned into a success ?



3 The Entrepreneurial Process

Having decided to become an entrepreneur, a successful business idea has to be developed which can eventually be turned into reality.





Do you know the answer ?



What are the characteristics of entrepreneurs and entrepreneurial firms ?



What influences the decision to become an entrepreneur ?



Why is entrepreneurship important ?

...test yourself.



References

Barringer, B. and D., Ireland (2008): Entrepreneurship - Successfully Launching New Ventures, Pearsons Prentice-Hall.

Marmet, D. (2006), Wann haben junge Unternehmen Erfolg? Eine empirische Analyse anhand einer schweizerischen Gründungskohorte; Dissertation der Wirtschaftswissenschaftlichen Fakultät der Universität Zürich.



Outlook

