

# Technology Entrepreneurship

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Lesson 14/10

## 1 Entrepreneur Definition

Already mentioned at the course start, now, going a bit deeper in the definition.

### 1.1 Class brainstorming! What does being an Entrepreneur mean? What qualities does have an Entrepreneur? Whom do we recall an Entrepreneur?

- Leadership
- Take the initiative/ Initiative Driven/ Proactive
- Knowledge/Use of technology
- Ready to take risks

An entrepreneur should be open-minded! Should not expect to have guarantees on what he do!

Why is it important?

The world the way it is have no guarantees from today to tomorrow. For an entrepreneur is important to be OPEN MINDED and ready to take risks, otherwise he'll find himself in a deadlock/stucked in crisis situations.

An entrepreneur can't be sure that the idea he have at a certain moment is the best overall, the one that absolutely guarantee success, but should follow it.

### 1.2 Example: Gambling! Gain proportioned to risk!

The pay of a gamble is proportioned to the risk you take when you play it. But, in our case, the risk is not meant just in an economic sense, is to be intended as a use of all our resources (Knowledge, time, money, and more). The risk is not just related to the money!

### 1.3 Question! Who think he is ready to start a business? Why?

- Good ideas
- Ready to take risks
- A lot of time to learn/test/try (time can works also against us, as sometimes investors don't trust people too young, as maybe young people don't know how to use the money)
- IMPORTANT: We live in a digital era! Great technological developments that ask for qualifications that the class have, we are at the forefront of what is needed to be an entrepreneur nowadays. We can put this resource in a business instead of a capital!

### 1.4 Summarize

Entrepreneurs has the quality to see opportunities, follow a certain idea or passion and using all the resources available at his disposal to turn them in a real product or service to capitalize on.

It is important for an Entrepreneur to be a risk taker and see opportunities before others, to be open minded and to be ready to invest all his resources (capital, technical skills/qualifications, pursues abilities) until something is carried out or realized.

### 1.5 Peter Drucker Definition

"The entrepreneur always searches for change, responds to it and exploits it as an opportunity"

It doesn't say anything about technology or digital, it talks much more about change. Nowadays, is a time of constant change! Any time of change is the right time when an Entrepreneur tried.

In this course, try to learn to see opportunities!

### 1.6 Example: Flower Shop

If you open a flower shop, are you an entrepreneur? Technically speaking, being an entrepreneur mean opening a business activity, so yes! You are opening a company for profit! Buy flowers, add value to flowers and sell it, you are an entrepreneur. In this course, we analyze different types of entrepreneurs, because in our CV we have the digital part. We can sell much more than a flower shop! We can Scale! Explode the business!

## 1.7 Pablo Picasso quote

”I am always doing that which I cannot do, in order that we may learn how to do it”

We don't usually connect the word "Entrepreneur" to people in the art. Nowadays there's a really different look at the word "entrepreneur", which is usually connected with digitals. Due to the abundance of examples of people that using technology nowadays became role models!

But people in the art are also entrepreneurs!

## 2 Industrial Age Role Models

Before our time!

### 2.1 Ford

He is the first one which turned the car from a luxurious item to an item of everyday life. He became known for the launch of cars industry. He built cars in big scale, optimizing the assembly!

### 2.2 Walt Disney

He did animated cartoons. He created a new kind of industry, the Entertainment industry! Transposed fairytales, and the having fun into a space available to everybody! The vision was: making money with people having fun.

The hollywood business before didn't saw the opportunity of making money with people having fun. It was not explored as territory to make people fun and at the same time make a lot of money.

[Interesting fact: check contribution of Walt Disney to copyright laws]

### 2.3 FedEx

Is a distribution business, they deliver packages, they were like one of the 20th companies on the world. They are known as an archetype of entrepreneurship because they changed the business of mailing things. Before them we used post!

If you had a critical package, with a higher fee they guaranteed the delivery. Changed the business model was for some companies, on how they created values!

Why started in the US? Because the distances are very long, and the delivery system was not so good! They saw a need and satisfied it. (the price of sending something in US was constant, that delivered some problems, FedEx solved!)

## 2.4 Olivetti and Ferrari

They built their company around a city, but more, they introduced the beauty of the design (Aesthetic)! They built the business around that feature. Another thing they introduced was ethic in the company, the pay was compared to the company gaining (for example the owner didn't earned more than 10x times the lowest salary).

## 2.5 Patagonia

They were Eco-friendly. They encouraged with their products the recycling and reuse of their materials, and more, they tried to encourage a standard way to approach and work with their company. They don't accept if people work in bad condition with/for them. They appeal to their customers in a matter to encourage sustainable behaviours.

## 2.6 Edison

He brought electricity to the households. As an entrepreneur (inventor), he invented the lightbulb.

# 3 Entrepreneurship in the Domain of Technology

## 3.1 Entrepreneurs and starting age of their career

- Ingvar Kamprad (17) - IKEA
- Jeff Bezos - Amazon
- Michael Dell (19) - Dell inc.
- Jack Ma - Alibaba Group
- Larry Page and Sergey Brin - Google
- Marc Benioff (42) - Salesforce
- Mark Zuckerberg (20) - Facebook
- Elon Musk - Tesla
- Richard Branson (22) - Virgin group
- Steve Jobs - Apple
- Diane Greene (35) - CEO VMware

## 3.2 Summary

What is the common trend? People think usually that you need to be very young to be an entrepreneur, if you study IT at University you are in the best position to run the next "Facebook". There are pros and cons. The technology advancing made much more mainstream to become an entrepreneur at young age, the knowledge about latest technology could be turned in a business opportunity! That's the element in common between all those people.

It doesn't matter what age you are, you can always be an entrepreneur starting a business, now, in the post - digital era (it is everywhere nowadays) there are much more opportunities for people that worked for some time, and after get experience, start his own business, having at disposal something that makes a good bet to start a business by their own.

These were some archetypes of tech entrepreneurs, started before 2000, but now, the digital era has established, and is characterized by a number of features. Therefore, since the 4th Industrial revolution, entrepreneurship has been practiced at most in the technological area.

## 4 Archetypes of Post-Modern Entrepreneurs

### 4.1 4th Industrial revolution

The main features of the 4th industrial revolution are: digitalization of the life at all levels, globalization, that with the penetration/appearance of internet in all the world became a different way in which companies/market/peoples perceive opportunities. Internet is marking the divide for the 4th industrial revolution. The globalization has become a factor for which we run business. Another feature of the 4th industrial revolution is the aging of demographic/population, and migration/different mobility around the world, again triggered by the digital revolution.

### 4.2 Technology Entrepreneurship: Byers def.

"Technology encompasses all new methods, processes, artefacts, tools and devices that can be used in commercial and industrial use. New technologies form the basis for technology firms where entrepreneurs CREATE innovations by combining their technological KNOW-HOW with BUSINESS practices. These technology firms create new commercialised solutions, i.e. INNOVATIONS"

It is not just about product (HW/SW)! Is about new processes using the know-how for doing things.

[Innovation recap from first lection: Innovation is to commercialize something, an invention is just do to the thing.]

It is how to use know-how to internalize it in a company as an innovation and put in a market (commercialize it).

It is how to capture the value of a technological know how.

### 4.3 Examples: Technological Entrepreneurship

- Crypto-currency
- Smartphone (is a computer in a phone, has computational power and is touch-screen, a lot of technology)

### 4.4 New model of Organizations

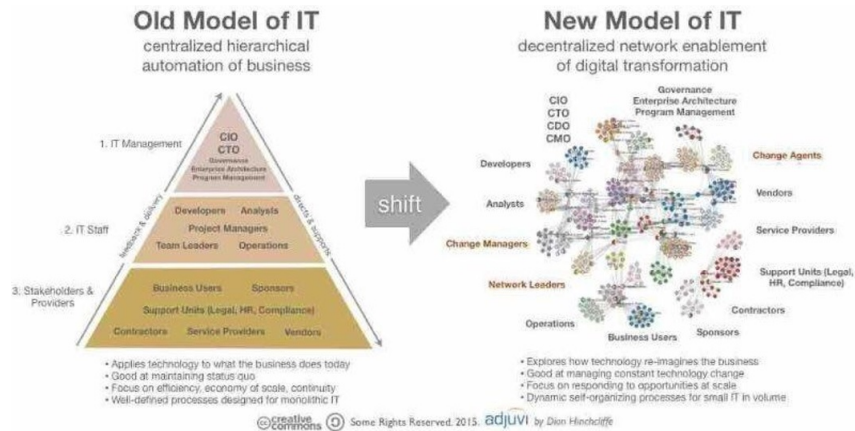


Figure 1: Old Model to New Model

The old model was centralized with a hierarchical automation of business. The IT role was to support initially that structure. The role was one of the verticals in the organization. Slowly, thanks to the way it permitted people to work, it was flexible, allowed people to be in different locations, it slowly changed the way people were working.

The new way IT works is more based on collaboration, teamwork, leading to change the model of all the organization.

Those changes lead to a new way of being entrepreneur.

### 4.5 Post-modern role models of Entrepreneurs

- Xerox - Invented the mouse, was the basis of a whole set of innovation in the silicon valley, used to be the biggest center for technologies in California. They did photocopies too, then diversified the company.

NOW: They do Consultancies (through new resources)

- 3M - They did tapes, now consultancies
- Konica-Minolta - They did cameras.  
NOW: They do Consultancies

- Revolut - Online banks. They have no physical interfaces. The innovation was to put structures in virtual space.
- N26 - Online banks.
- Barents and Nobles - Publishers, that now works mainly online!
- Financial times - used to be a physical newspaper. Now about 90percent of their business is online.

## 5 Recap of the lesson

We saw 3 periods:

- Industrial Era (Olivetti, Ferrari, IKEA, ... )
- Superheroes (Jeff Bezos, Steve Jobs, ...)
- New Models

Before, we had the company owners as role models/symbols/superheroes, now is a bit different, the whole company is the hero. Before was about performs! Now is about the performance of the company! More, before was about physical labour, now is about knowledge and skills!

The requirements and added abilities for people to succeed inside the company changed during the periods!

### 5.1 Requirements and added values

- Industrial era - physical was needed, knowledge added value
- Superheroes - knowledge was needed, skills added value
- Post-modern era - knowledge and skills are mainstream! The discriminant is the Entrepreneurial mindset! Combine things to have relevant solutions for what you have to do.

### 5.2 conclusions

The new hero is the hero of entrepreneurial mindset.

Entrepreneurial mindset is natural in human being, one of the problems of educational system is that we have been learned that is a very rare thing, just few people can have it. We have been learned that is something you are born with, not natural in human beings. But have been showing that people are by nature Entrepreneurial and curious!