Entrepreneurship
CPD Course

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This CPD Unit will introduce the concepts of entrepreneurship and lay the foundation for developing the necessary skill set to explore entrepreneurial opportunities in order to Create Value And Serve Society
CPD Course GOALS

• To Identify Entrepreneurship As A Career And Lifestyle Option
• To Increase Self Awareness, Especially Work Ethic
• To Develop A Mindset For Business And Develop Confidence
• To Leverage Engineering Knowledge To Identify Gaps And Opportunities For Innovation
• To Build On Business Skills Such As Marketing And Accounting
CPD Course Outcomes

After completing this CPD Course, one should be able to:

• **Explain** the nature of entrepreneurship
• **Develop** an entrepreneurial perspective by recognizing entrepreneurial opportunities
• **Analyze** the environment for entrepreneurship
• **Know** the value of a business plan and be able to seek help to develop one
• **Set up** a business organization through leveraging
• **Assemble** the Core Team
• **Identify** the sources of capital for a business venture
Do You Know This Institution?

- 25,600 Companies Worldwide
- 3.3 m People Employed
- $2 trillion Annual Sales Revenue
- 11th Largest World Economy

2006 Data
How About This Institution?

34,700 • Companies Worldwide

4.4 m • People Employed

$2.5 trillion • Annual Sales Revenue

9th • Largest World Economy

2010 Data
Entrepreneurship Definitions

- **Knight (1921)** Profits From Bearing Uncertainty And Risks
- **Cole (1952)** Purposeful Activity To Initiate And Develop A Profit-oriented Business
- **McClelland (1961)** Moderate Risk Taking
- **Casson (1982)** Decision And Judgments About The Coordination Of Scarce Resources
- **Gartner (1985)** Creation Of New Organizations
- **Stevenson Et Al (1989)** The Pursuit Of Opportunity Without Regard To Resources Currently Controlled
Common Elements In Definitions

- Creativity And Innovation
- Resource Gathering And The Founding Of An Economic Organization
- The Chance For Gain (Or Increase) Under Risk And Uncertainty
Common Elements Defined

- **Creation:** A Founding And An Origin
- **Innovation:** A New Way Of Doing Something
- **Economic Organization:** An Organization Whose Purpose Is To Allocate Scarce Resources To Create Value
- **Risk:** Variability Of Outcomes Or Returns
- **Uncertainty:** Degree Of Confidence In The Estimates Of How The World Works; Of The Causes And Effects Of The Environment
Entrepreneurship

• The Creation Of An Innovative Economic Organization For The Purpose Of Gain Or Growth Under Conditions Of Risk And Uncertainty

• New Venture Creation
Resource Based Definition

• Entrepreneur Uses Resources That Are
  o Rare
  o Valuable
  o Hard To Duplicate
  o Have No Good Substitutes

To Obtain A Sustainable Competitive Advantage

“The Nature And Quality Of The Resources, Capabilities And Strategies The Entrepreneur Possesses And Can Acquire Will Directly determine the Long-term Success”
Who is an Entrepreneur?

<table>
<thead>
<tr>
<th>Previously</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Founder</td>
<td>True Entrepreneur</td>
</tr>
<tr>
<td>Boss</td>
<td>Leader</td>
</tr>
<tr>
<td>Lone Ranger</td>
<td>Networker</td>
</tr>
<tr>
<td>Secretive</td>
<td>Open</td>
</tr>
<tr>
<td>Self-reliant</td>
<td>Inquisitive</td>
</tr>
<tr>
<td>Off the Cuff</td>
<td>Business Planner/Strategist</td>
</tr>
<tr>
<td>Snap Decisions</td>
<td>Consensus Builder &amp; Informed Decision Maker</td>
</tr>
<tr>
<td>Overwhelmingly Male</td>
<td>Gender is a Non Issue</td>
</tr>
<tr>
<td>Success Due to Idea</td>
<td>Success Due to Execution</td>
</tr>
<tr>
<td>Knows the Trade</td>
<td>Knows the Business</td>
</tr>
<tr>
<td>Technology for Automation</td>
<td>Technology for Innovation</td>
</tr>
<tr>
<td>Earning a living</td>
<td>Creating Value &amp; Wealth</td>
</tr>
</tbody>
</table>
New Entrepreneurs

• Aware & Active Academia
• Mid Career Professionals & Executives
• Talent From Downsized Companies
• Early Retirees
• Quest For Status
• Control Over Personal Life
• Local Need Analysis & Solution
• Globalization Opportunities
Dimensions of New Enterprise

- Individual Characteristics
- Environment
- New Enterprise
- Organization
- Constraints
The Individual

• Psychological, Sociological And Demographic Characteristics
• Experience, Knowledge, Expertise And Training
• Character & Professionalism
• Personal Integrity
• Ethics
Ethical Behavior

• Any business decision that creates value for the customer by matching quality and price
  – Provide valid data about product and service
  – Enable customer to make a free and informed choice
  – Generate customer commitment to the product and the organization that provided it

‘The Only Sustainable Competitive Advantage That Any Business Has Is Its Reputation’
Ten Best Rules

1. Commit to Achieving Success and Always Be Passionate
2. Share Success with Those Who Have Helped You
3. Motivate Yourself and Others to Achieve Your Dreams
4. Communicate with People and Show You Care
5. Appreciate and Recognize People for Their Efforts and Results
6. Celebrate Your Own and Others’ Accomplishments
7. Listen to Others and Learn from Their Ideas
8. Exceed Expectations of Customers and Others
9. Control Expenses and Save Your Way to Prosperity
10. Swim Upstream, Be Different and Challenge the Status Quo
Environment

- Opportunities In The Form of **Resources**
  - People
  - Technology
  - Money
- Acquire Resources And Combine Them With The Ones Already Present to Deliver Value
Constraints or Threats

- Competition
- Government Influences
- Political Environment
- Socio-Economic Conditions
Economic Organization

• Value Proposition
  o Drive And Motivation Embodiment

• Cultivate Form And Structure
  o Functional Level Strategies

• Find Entry Wedges Or Points
  o To Penetrate Or Create A Market

• Build Isolating Mechanisms
  o To Protect Its Positions

• Define Culture
  o Determines Performance & Quality
Quality is Critical to Success

• Transcendent
  o Philosophical – Concerns The Function Intended

• Product-Based
  o Product Or Service Attribute Held In High Regard

• User-Based
  o User Preferences are Subjective

• Manufacturing-Based
  o Conformance To Standards, Operational Excellence

• Value-Based
  o In Terms Of Economic Value Delivered

• People-Based
  o Quality Of Team
  o Quality Of Decisions
Entrepreneur – The Decision Maker

Entrepreneur Must Understand All Quality Perspectives To Be Able To Make Decisions Based On The Current Situation
Be a Dynamic Entrepreneur!

- Find Your Strengths
- Dream Big Dreams
- Mistakes Will Happen
- Persistence Pays Off
- Hire People for Their Values
- Spread the Wealth
- Have Life Outside of Work
- Explore Venture Capital vs. Customer Funding
- Know Your Customer
- Customers Will Say What They Need
Are You Ready?

✓ Owning a business is the dream for many of us
✓ Starting that business converts our dreams into reality
✓ However, there is a gap between dreams and reality
✓ Dreams can only be achieved with careful planning

• As an entrepreneur, you will need a plan to
  – Avoid Pitfalls
  – Achieve Your Goals
  – Build A Profitable Business

Is Entrepreneurship For You?
Typical first-time entrepreneur is not a 20-something — research shows that their average age is 40!
Understand the Opportunity Space

- **EXISTING**
- **NEW**

- **PRODUCTS**
- **MARKET**

Restricted Copy for Individual Self-Learning Only.
Planning your Start up Business

• Business Concept
• Personal Resources and Objectives
• Product/Service
• Market Description/Analysis
• Sales and Marketing Plan
• Practical Organizing of your Business
• Business Development Strategy
• Budgets
• Financing Options
3 FATAL FLAWS

- Business Issues
  - Understand the process of building a business
  - Team, Resources & Market Pain must intersect!

- Personal Issues
  - CEO Focus, Skills and Understanding
  - Team Quality

- Organizational Issues
  - Corporate Culture Alignment with Enterprise
  - Team Culture Alignment with Enterprise
3 POWER POSITIONS

• Best Total Cost
  – Operational Excellence

• Best Products
  – Product & Technology Leadership

• Best Service
  – Customer Focus

Maintain Standards across All Aspects, EXCEL in one!
There is Substantial Support Network
National Initiatives

Business Support Organizations

Entrepreneurship Development Centers at Universities

Business Incubators

Networking Forums

Business Plan Competitions
Business Support Organizations

- NFRD
  - Small & Medium Enterprise Development Authority
  - Women Entrepreneurs Information Network
  - Industrial Information Network
  - Technology Upgradation & Skill Development Company
  - Trade Development Authority of Pakistan
  - Pakistan Horticulture Development & Export Board
  - Pakistan Dairy Development Company
  - Livestock & Dairy Development Board
  - Pakistan Industrial Development Corporation (PIDC)
  - Pakistan Software Houses Association for IT & ITES (P@SHA)
Entrepreneurship Development Centers

- NFRD
- NUST
- Superior University
- NUML
- IBA
- LUMS
- IMS
- NWFP - UET
- SUIT
- KUST
- Bahauddin Zakariya University
- PAF - Karachi Institute of Economics & Technology
- Mohammad Ali Jinnah University
- University of Management & Technology (UMT) Center for Entrepreneurship and Innovation (CENTIN)
- University of Veterinary & Animal Science
Business Incubators

- **NFRD**
- **TIC** - This is an initiative of NUST at Islamabad
- **Askari Commercial Enterprises** An AWT initiative for the benefit of retired Army Officers
- **E-Magine Group**
- **PSEB Smart Plug & Play Incubator**
- **Saif Center for Innovation**
Networking Forums

- NFRD
- OPEN Pakistan
- TiE Pakistan
- Entrepreneurship Pakistan Conference
- All Pakistan Entrepreneurs Exchange
- TAN: Tech Angel Network
- Pakistan Private Equity and Venture Capital Association of Europe
Business Plan Competitions

- NFRD (Future Plans)
- TiE-Khudee, Business Plan Competition
- MIT Club of Pakistan Enterprise Forum
- Ministry of Youth Affairs "The National Business Plan Competition"
- Shell Tameer
- The Prince of Wales Pakistan youth entrepreneurship programme
- British Council Youth Award
- Young Leaders Entrepreneurship Summit
- Kaavish
- FAST University's NASCON
- COMSATS
- FATA Livelihoods Development Program
- P@SHA LaunchPad - for launching new ideas and startups
- IBA INVENT-The Entrepreneurship Challenge
- DISCOVER NUST Center of Innovation & Entrepreneurship
- IDEAS Youth Entrepreneurship Summit
- Business Ideas Competition FAST-NU
- Pakistan Entrepreneurship Summit
National Foundation for Resource Development
Enterprise Development Group
NFRD

- Building Bridges, Bridging Gaps
- Integrated Approach (Complete EcoSystem)
- Concept Developed 2005-2006
- First Institute Started 2006
- Enterprise Development Started 2007
- Integrated System & Linkages are Growing!
Entrepreneurship EcoSystem

• Capacity Building
  – Integrated Education
  – Training
  – Skills Development
  – Career Counseling & Job Placement
  – Mentoring
Entrepreneurship EcoSystem

• Enterprise Development
  – Business Information & Consultancy
  – Workshops, Seminars & Courses
  – Business Incubation
  – Business Opportunities
Entrepreneurship EcoSystem

• Network Development
  – Independent Associated Group of Businesses
  – Academia-Business-Industry-Government Linkages
  – International Linkages
  – Sales & Marketing Channels
  – Business Grid
  – Education Grid
Business Resources

- Business Planning
- Market Research
- Feasibility Plans
- Business Incorporation
- Agreements & Contracts
- Incubation
- Market Access
- Network & Linkages
- Investments
Network of Growth

- Business Grid (Private) Ltd
  - Design & Construction
  - Trade
  - Technology

- RC (Private) Ltd
  - eLearning

- Education Grid (Private) Ltd
  - Technical & Vocational
  - Academic & Continuing Education

- eRise (Private) Ltd

- Design & Consulting

- MTP (Private) Ltd

- OneBuild Construction Portal

- H&H
Conclusion

- Entrepreneurship is a viable and rewarding option
- It is the backbone of Innovation, Creativity, Sustained Advantage & Economic Well-Being of a Nation
- Infrastructure, Tools and Support Environment is Available
- The Drive and Motivation of the Entrepreneur is the Key Ingredient
- Journey Itself is the Reward of Entrepreneurship!

"Indecision Is The Thief Of Opportunity" - Jim Rohn
Thank You

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Reference Books

- **Entrepreneurship**: by Robert D. Hisrich, Michael P. Peters, Dean A. Shepherd, 6th Edition (McGraw Hill)
- **Entrepreneurship: Strategies and Resources** by Marc J. Dillinger, Third Edition (Pearson Education)
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