

# CREATING A CULTURE OF INNOVATIVE ENTREPRENEURSHIP

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## ABSTRACT

*Entrepreneurship has more to it than just self-employment and hard work; to tap its full potential one needs to put emphasis on the generation and development of ideas. Research on creativity suggests that all of us are able to engage in this kind of creative activity. This essay presents techniques for, and examples of, generating entrepreneurial ideas. Its goal is to show that in the present age, which is marked by rising levels of education, growing consumer sophistication and increasing opportunities for comparing values, ideas that are developed in harmony with society's values have good and growing chances for success in the marketplace. Ultimately, a culture of innovative entrepreneurship is envisioned, which is able to incorporate economic, artistic, and social activities as parts of one coherent spectrum of human creativity.*

*Key Words :business model, creativity, culture of entrepreneurship, entrepreneurship education, idea creation , idea development*

## ENTREPRENEURSHIP -- A PERSONAL PREFACE

I felt attracted to the field of economics quite early, having started to invest my pocket money in the stock market at the age of 14. My family and teachers disapproved, since at that time this was regarded as an inappropriate and evil activity.

Naturally, I went on to study economics. To my surprise, the subject that I had experienced as being so exciting and breathtaking, at university turned out to be boring and meaningless. I finished my coursework quickly, completed a dissertation in order to savor university life a little longer, and subsequently found myself being offered a lifetime tenured professorship at the age of 31. When I accepted the position, I promised myself to approach the subject in a markedly different way. In my mind entrepreneurship was clearly the most vibrant way to bring economics to life. But how to create a company? I went around deliberating over which business field offered good prospects. During visits in developing countries like Tanzania and India, I was stunned to see how expensive products like coffee, sugar, and tea were in

Germany, compared to the prices in the producing countries. In tea, especially, the difference was huge. With little knowledge until then about tea, I began crunching numbers and compared the results with products in other fields. It turned out that price competition was least evident in tea, as was innovativeness. I started in-depth analyses of the costs of trading tea. So, by rearranging almost everything that had been standard in the tea business, I created a business idea that seemed crazy to everybody else, but made sense in terms of cost saving: one variety of tea only, big packets only, "buy your supply for a year." The company — looking like a joke in the beginning — made its way. It has grown to become the biggest mail-order tea company in Germany and the biggest buyer of Darjeeling tea in the world.

I am not saying this to praise my own company, but to make my message clear: it is amazing how quickly you can conquer a well-established business segment with a good idea. It is a message that is underscored by many recent examples. Concentrate on the development of a good entrepreneurial idea: it might well be the main foundation to your entrepreneurial success. This may be surprising to you as it was surprising to me. It definitely stands in stark contrast to the mainstream point of view, which usually stresses the importance of management, marketing and financing capabilities as the major requirements of an entrepreneur's success, rather than the quality of his or her entrepreneurial idea.

## INTRODUCTION

Entrepreneurship is becoming an important part of political and educational programs in many countries around the world. Emerging not only in the USA but also in Europe is the idea of an "enterprise culture". So far, the primary focus is on the emergence of more small-sized enterprises, fast growth firms with technology-based businesses (European Commission FIT 2000, Gibb 2001<sup>a</sup>). Similar tendencies are being observed in transition economies (European Training Foundation 1996, Buck 2000). Recent reviews of what is being taught in the field of entrepreneurship in Europe and North America indicate that the emphasis is substantially on the business plan as the framework for organizing knowledge. This core is supplemented by functional economic inputs, delivered by business schools or economics faculties (Gibb 2001<sup>b</sup>). There is very little outreach into social sciences and arts faculties.

Entrepreneurship is a complex and multifaceted phenomenon. It also has a creative dimension that is in part beyond economic-rational discourse. The concerns of one academic discipline regarding its standards of academic rigor and respectability must not lead to the curtailing of this phenomenon. This paper attempts to steer the focus towards fields of entrepreneurship in which the creative dimension plays a substantial role. It seems that the importance of intense work on an idea has been subsumed by the dominance of the teachings of business knowledge. What is

necessary is to remove entrepreneurship from this narrow confine and the often close association with business administration, a too narrow paradigm for entrepreneurship (Gibb 2001<sup>b</sup>).

On this basis, the factors of success regarding the launch of a new venture are discussed to assess the importance of idea creation and development in the interplay with the other pertinent factors (people and resources). In this regard, it can be shown that the need for innovativeness does not result only from intensifying competition but also, in a broader sense, includes social issues, so as to identify in advance new tendencies in the market place.

Recent findings on the subject of creativity (Goleman, Kaufman and Ray 1993, Csikszentmihalyi 1999), combined with the findings of Vesper (1993) that successful business ideas usually are a natural outgrowth of an individual's background open up a perspective with a far greater range, thereby setting free the potential for the development of successful entrepreneurial ideas. An attempt is being made to detect patterns and to set examples which could facilitate a systematic working out and processing of idea development, as an integral and substantial part of the business model. In addition to this perspective, it will be shown that adapting to societal values and shared problems is an increasingly essential factor in the successful launching of an enterprise.

The attempt undertaken is to analyze the interplay of all these factors in their impact on the conditions for a more open, more accessible and more widespread culture of entrepreneurship.

## **UNDERSTANDING INNOVATIVE ENTREPRENEURSHIP**

Let us take a closer look at how the figure of the entrepreneur is treated in economic theory. Until quite recently, the entrepreneur was largely left out of the literature of economics. "Entrepreneurship is an important and, until recently, sadly neglected subject," according to Mark Casson (1990 XIII), who could be called the rediscoverer of the entrepreneurial figure.

Over the last few years, research has taken a new direction, bringing out the separate and distinct function of the entrepreneur in contrast to that of the manager. The manager, one could argue, must operate under normal conditions and in routine business functions, while exactly the opposite qualities are needed for successful entrepreneurship. Here, you have to emphasize innovative momentum and a fresh start, in contrast to the organizational aspects of existing entities.

Schumpeter describes the entrepreneur as forsaking well-trodden paths to open up new territory and as turning (believe it or not!) dreams into reality (op. cit., 125 f.). The entrepreneurial function consists not of inventing things, but rather of bringing knowledge to life and into the market (op. cit. 128 f.). Schumpeter saw the markets,

realistically viewed, as dominated by oligopolies. Competition, and with it a more efficient allocation of resources, arises only through the invasion of these markets by new entrepreneurs, who destroy the existing market equilibrium with their innovations. This mechanism has been taken into economic discourse by the term "creative destruction."

Hans Hinterhuber (1992) points out a special relationship between the entrepreneurial vision and the person: entrepreneurial ideas, he says, are an expression of one's own life and professional experience. He even speaks of the "feeling of a mission." This sense of mission must be present to set free the energies needed to market a product successfully. The author gives several examples of entrepreneurial ideas that have marked our society more than others, because their originators had "an idea in the Platonic sense" and were imbued with a sense of mission: Gottlieb Duttweiler in Switzerland, with his idea of breaking down traditional commercial structures and offering products much cheaper, especially to poorer population groups; or Steven Jobs and Stephen Wozniak, with their vision of democratising the computer. Interesting, too, is the notion that entrepreneurial vision often comes with "an idea of sweeping, classic simplicity" (op. cit. 44).

This is in contrast to economic textbook theory which usually assumes that profits make up the motivation in the field of business. "The essence of entrepreneurship is being different", says Casson (op. cit.). And, as Richard Olsen, the Swiss founder of a research institute for applied economics, adds: "If your main motivation is money, you will not have the perseverance that you need to create a successful entrepreneurial venture."

Entrepreneurship - says Timmons (1994) - means the ability to set up and build something out of practically nothing; it is therefore an elementarily human, creative act. In this regard, it should be made clear that an entire area of entrepreneurship has always given and continues to give great weight to the creative aspect of developing an entrepreneurial idea.

A reason why the importance of the quality of the entrepreneurial idea has been so little regarded is that in politics, but partly also in scientific literature entrepreneurship is closely equated with self-employment – which in real life is regularly based on business ideas that are not particularly new or innovative. To open a fashion boutique, restaurant or a copy shop improves unemployment statistics and is an important and courageous step in societies where self-employment is still a great exception. However, they are not especially promising, as evidenced by their high failure rates.

In Germany the term for self-employed, *selbstständig*, which is often applied to the small shop owner, means literally "standing on your own" or "independent," but it also has a humorous (and quite popular) connotation: you have to do it all yourself (selbst) and you have to do it all the time (ständig). This, obviously, is not an attractive

prospect. But, lacking an innovative idea, it is all too often a reality.

### **APPLY DIVISION OF LABOR PRINCIPLES TO ENTREPRENEURSHIP**

It seems that the reality of self-employment even translates into a description of knowledge requirements for entrepreneurship. The traditional concept of an entrepreneur's qualification is that s/he has to know almost everything: accounting, keeping inventory on hand, negotiating with suppliers and customers, legalities, the taxman's demands, managing employees, equipment maintenance, creating team spirit, and so on. One could tally up an almost endless list of such qualifications and competencies required of an entrepreneur. Not only is such a universally qualified person hard to find, and difficult to create from training, but such demands also deter ordinary people. It is certainly helpful for entrepreneurs to have basic know-how and understanding of the subjects mentioned. But to what extent is it necessary for the entrepreneur to have all these competencies fully developed in his or her own person? We should be aware that in future the concept of an all-round qualification will become obsolete. We most certainly will have to apply the principle of division of labor to this problem much more stringently. People have different skills, attitudes and preferences. For example, instead of trying to teach an engineer how to become a smart salesperson (which is very much against his professional and personal attributes) it seems better to separate these two functions and allocate them to two different persons. There are too many business techniques to be learned. To handle each of them adequately would be simply overwhelming. It eats up too much of the time and energy that could otherwise be devoted to leadership and vision. If you get down to earth, you get stuck. You must try to keep flying! A compelling idea keeps you flying. Perhaps we should imagine the entrepreneur as a movie director: s/he is the brains that brings the different actors, props and services all into play. This is already more than a full-time job for one person to manage alone. It goes along with the idea articulated in entrepreneurial studies, that start-ups need a "lead entrepreneur" supported by a "management team" (Timmons 1994, Bygrave 1994).

Applying the principles of division of labor could ultimately lead to a new relationship between innovative entrepreneurship and business administration. Imagine the entrepreneur's standing vis-à-vis a company. How would they come to an agreement on working together? The entrepreneur might suggest, "If you employ me, I am willing to put my business ideas into practice for the benefit of your company." This is an attractive offer for a company that lacks innovativeness. The deal is also attractive for the entrepreneur: s/he does not need to get involved him/herself with the burden of establishing and doing the day-to-day running of the business. It is a novel approach and it will be interesting to see how mutual benefits can be negotiated in such a deal.

(This approach would induce a profound change in the educational goals and the mindset of job seekers, as well. Normally, what they have to offer is their educational degree or certification, and they must wait for an employer to take them up on it. Were they to offer an entrepreneurial idea, their bargaining power and chances would improve instantly).

## **SUCCESS FACTORS IN NEW VENTURE CREATION**

Taking the Timmons model (1994) - which can be regarded as the standard (Bygrave 1994, 10-11, Ripsas 1997) – as a basis, one can summarize the critical factors in three main groups:

- The people  
(the founders, including the management team as well)
- The idea  
(as developed and refined concept in order to exploit market opportunities)
- The resources  
(which are important for the setting up of the business and making it grow)

All three factors play an important role. One can certainly argue over what emphasis to place on the individual factors. Venture capitalists would incline to allot the greatest influence to the personality of the founder(s). Those who teach business administration and also those who deal with the typical problems of small scale enterprises will incline to place marketing, management skills and sufficient financing in the fore - not least with the good argument that these areas have been well researched and developed and that there are proven formulas to deal with these problems successfully in practice.

In contrast to this, the effect and function of innovative ideas have received scant examination. The thought that the quality of the idea could make a difference in the successful launching of a new venture is not particularly popular with managers or bankers. “There are plenty of ideas around”, it is often said, “the important part is to put them into practice”. Isn't that reflecting reality quite well? In fact, there are lots of ideas, in the sense of impressions and thoughts that come to your mind. But generating a new and innovative idea (even if not in Schumpeter's dimension of innovation) is a totally different operation. These types of ideas or concepts are not easily available.

Even if we cannot agree where to put the main emphasis, there is one striking consideration at hand: the factors mentioned are interdependent, in the sense that strengths in one area can compensate for weaknesses in other areas. Hence another valid point is: very good solutions in one area can lead to partial solutions in other

areas or can reduce the demands coming from other fields significantly. For instance, the enormous economic advantages which the idea of the tea campaign enabled us to offer such a favourable price that we could request our customers to advance us check payments, which, in turn, virtually eliminated the problem of financing.

When we look at the economic fate of many of the newly founded dot.com-companies, how can we explain their failures? They were provided with management competencies and capital to an extent rarely seen before. It makes for a strong argument – agreed to by most analysts – that it was the lack of idea development – that the business model was not worked through or refined enough.

If your idea is not innovative, those businesses already in the market place will have a competitive edge over you. They are the ones who already have customers, they have the experience with suppliers, and they know the specifics of the product itself. They are well-known in their environment, whereas you, as a newcomer, are not. In short, they have all the advantages, and you have a corresponding number of disadvantages. Hence, to enter the market place, it is almost a necessity to have a new idea. Most probably the innovative element of your business idea is your most crucial partner for survival.

Whether you successfully conquer the market or have to fight for mere survival depends very much on the quality of the concept that you have developed and refined. As it is an arduous process to found a company, it would be a pity to build the whole edifice on a weak foundation.

However there is a need for innovations in a much broader sense. Sweeping new ideas do not, as a rule, arise from workaday business life and within the context of rational economic thinking. Such ideas often draw vibrant inputs from proximity to unconventional thinkers, socially involved people, ecologically engaged people, or artists. These people can contribute their ways of thinking and possibilities from their fields of interest to ideas for the improvement of the quality of life. It takes a broad range of people to respond to existing problems with social, economic and artistic imagination. The history of successful entrepreneurs offers numerous examples for this openness, much like the history of the economic sciences themselves which got essential impulses from people and viewpoints outside of its own discipline.

## **DE-MYSTIFY CREATIVITY**

Many start-ups base their business ideas on imitation or arbitrage. Even if the imitation does not infringe on patent rights or trademarks, there are substantial disadvantages. By imitating, it is you who arrives second (or even further down) in the marketplace, and there may be many others to come. Cut-throat competition is commonly the result. Of course, the temptations to imitate are obvious; imitations save costs for research and development and offer the safety of using a proven,

successful idea as a model. But beware: you may face a backlash of public opinion against you. Imitation, akin to stealing, may be popular if you are the underdog, but it often carries a bad taste with it. Most often, the whole operation amounts to a gambling of sorts in the short term: weighing the cost of your investment against the chances for a temporary return. Arbitrage - making use of different prices at different locations or times - has similar implications. Like you, others will spot the opportunity, but may have deeper pockets and/or lower costs than you; entry costs into the market are low, thereby attracting many players; and by the time you are fully established and operational and have secured customers, the price advantages might have become smaller or may have disappeared altogether. The way out is trying to create something that is not open to competition on such a scale.

Vesper (1993) did research on the life of about one hundred successful entrepreneurs to find out what they all have in common. What he found was that the development of entrepreneurial ideas is different from what is commonly perceived. New venture ideas, he says, are usually a natural outgrowth of an individual's education, work experience and hobbies. This is an important point, because it stresses that successful ideas relate back to oneself, one's background, education, work or leisure activities. In conclusion, Vesper points out that most entrepreneurs succeed by pursuing ideas that are not only good business opportunities but also relate directly to their personal criteria and values. These findings are very significant because they challenge the common view that first of all we have to study market needs. That would be important for business administration, but not necessarily for creating an innovative entrepreneurial idea. Vesper's reasoning suggests that your individual background is the point to begin with. It is like in art. If you start by looking at market needs and sales, you will never become an artist with a genuine style.

Popular advice for would-be entrepreneurs, Vesper continues, all too often suggests that ideas arise largely through a mysterious combination of day-dreaming and inspiration. But from his research, Vesper draws a different conclusion:

***Idea creation can be approached deliberately and systematically***

This is a kind of revolution. The promise that you can deliberately and systematically create ideas is in complete contrast to the still prevailing belief that only extraordinary people have convincing new ideas. Vesper's research suggests that it is within the reach of almost everybody to create a genuine idea.

Although it is commonly believed that creativity is something rare and outstanding, modern research data on creativity in general do not substantiate such an assertion. Goleman, Kaufman and Ray (1993), and Csikszentmihalyi (1999) have demonstrated how creativity is accessible to each of us. There are a number of rules that can be learned by almost anybody. One need not be a genius to create a good idea that works. One of the researchers' suggestions is: keep a prepared mind, let the



solution to a problem grow with time.

These observations go along well with the findings of Goebel (1990), who describes a group of about fifty successful entrepreneurs from Germany. The only characteristic shared by all was their persistent reassessment of a problem.

## **CASTING THE NET FARTHER**

This chapter deals with two dimensions of innovation that relate to the notion of a broad based enterprise culture:

- creating entrepreneurial ideas systematically; and
- opening up entrepreneurship to social groups which had previously been excluded

### ***Techniques for the Creation of an Innovative Entrepreneurial Idea***

I have long suspected that it must be possible to open a venue for the *systematic* generation and refining of ideas. The following list, rough and sketchy as it is, is an attempt to define certain characteristics that successful business ideas have in common. It is the attempt to recognize the pattern and to bring to the fore the commonality of various examples relevant to idea development.

#### ***"Discovering Something Existing"***

One of the most accurate descriptions - by Joseph Kirzner - shows how quite a few entrepreneurial ideas are found. Discover something that exists already? This sounds like a paradox. How can one discover something if it already exists? To "discover," in this context, means to see a new potential in something, which is already known.

A famous example of this is the telefax. The invention has existed for a long time, and it has been successfully introduced worldwide by firms altogether different from those who invented it and those who first tried to market it.

#### ***"Functions, not Conventions"***

This is a pattern that comes close to Schumpeter's description of the entrepreneur as an innovator of new products or processes. The instruction reads thus: forget the convention; strictly analyse the function. There is always a more or less conventional way of doing things. It is not necessarily the best way to do it. New technology or new materials may be available. Needs may have changed. Take the example of the Berlin Tea Campaign:

In the beginning, it was only a thought, a vision that it might be possible to organise tea trading in a completely different way and to offer high quality at a lower price. I choose the example of the Tea Campaign as I launched it

myself.

The formation of the idea for the Tea Campaign, too, is like a puzzle, which took years to put together. The starting point: producing-country prices for coffee, tea, cocoa, bananas and sugar are about one tenth of the prices in Central Europe. Why? Because of the costs for freight and insurance? It turned out that the expense lay neither in freight nor in insurance but rather in the packaging material for the small quantities that are usual in German tea retailing, and in the high costs of distribution. So why not reduce packaging cost by using bigger packages and finding a simple distribution channel? Slowly the puzzle takes shape.

What about preserving the quality of the tea? This is important if a consumer is to switch from buying small to large quantities. The experts say that tea keeps well for two to three years. Even if it kept well for only one year, this would allow customers to purchase supplies for one year. Then one could sell in bulk, and the customers could reap big price advantages from cutting down on packaging costs. But what about the variety of brands? Can you reduce it? If a choice of many brands causes a lot of costs and makes distribution expensive, why not just sell one brand? And with a big enough order, doesn't it make economic sense to buy at source, circumventing the middleman?

Can consumers be persuaded to choose only one brand of tea out of 140 and to drink the same brand for an entire year? For a moment it looks as if the idea has failed just because of that. If customers are used to choosing between many brands, why should they restrict themselves? After a long break to think things over, optimism returns. It's probably better to restrict drastically the number of brands. If the purchase price of the tea is only of secondary significance (because it is relatively low), then you can reach for a very high quality of tea. You can even take the best tea in the world! (The experts agree that it grows on the southern slopes of the Himalayas in a district called Darjeeling.) If consumers can get such an excellent tea at a good price, they will probably not feel bad about having such a limited choice. The puzzle is completed.

From the beginning the entrepreneurial challenge facing the Tea Campaign was whether buyers could be convinced to buy one year's supply in large packages, and to give up the convenience of small packages in exchange for substantial savings in price. Contrary to conventional marketing practices, we hoped it would be possible somehow to "teach" the consumers to get used to a new concept which would ultimately bring them considerable advantages. The central point of this entrepreneurial idea was that success could be achieved by combining a new simplicity with persuasive economics.

A unique case? I don't think so. Remember Goebel (1990), who found that the entrepreneurs he surveyed had one thing in common: taking an idea and working on it to the point where "normal" people would think that they were odd, and then

developing this idea until it was mature.

Gottlieb Duttweiler, the founder of the “Migros” retail chain in Switzerland, or Anita Roddick, the founder of “The Body Shop,” could be cited as similar examples. Neither of them belonged to the business establishment; they were outsiders and started out on unfavourable terms. Breaking radically with conventions and developing contemporary, rational procedures with clearly recognisable advantages for the consumer were their recipe for success.

### ***"Combining Anew"***

A person who recognizes social problems, addresses them and wants to do something practical to counter them, is something of an artist. As in art, innovative achievement not infrequently requires being obsessed by an idea. Courage and tenacity are required to launch new ideas, and ultimate success is rarely achieved without them. Of decisive importance here is the quality of the entrepreneurial idea. Whether one makes a breakthrough in the market or just barely manages to stand one's ground (and is forced to use knees, elbows and the whole bag of little tricks and swidles) depends heavily on the quality of the concept with which one enters competition.

“Think ceramic,” says Thijs Nel, author, painter and potter in Magliesberg, near Johannesburg. An idea occurred to him, as a potter, concerning how better houses could be built (cf. *The Nation*, Aug 7, 1995). The inhabitants of the townships traditionally constructed their houses from clay, with walls reinforced by sticks and twigs. The problem with this is that termites come, devour the wood and leave behind fine water-conducting canals, with the result that the houses can no longer stand up to rainy weather.

Nel's entrepreneurial idea was roughly this: think of a cup. Turn it upside down. Let it grow ever larger before your eyes and imagine holes in it. Now call the cup a house! This house-sized cup with holes for windows must now be fired, like other pottery, with a flame that produces a high temperature. You can organise the fire as a village festival. The result is a house far more durable than the previous huts, but hardly more expensive. Here is the artist as architect and entrepreneur, demonstrating an astonishingly simple and practical idea. Everyone is his or her own house-builder, potter, and artist. It might even occur that settlements constructed like this are more attractive in appearance than those designed by professional architects.

### ***"(Re)integrating Functions"***

Integrating functions is similar. You know very well that you have your own separate institutions for everything. You have shopping malls, churches, restaurants, youth clubs, senior centres, etc. Everything has its own function. So this is very simple: if you can use the equipment for a second purpose or a third purpose, you immediately save a lot of expenses. In fact, if you look into nature, you will find that nothing in it

ever has a singular function only. Nature has always had a variety of functions for any one particular thing.

***"Taking a Problem and Turning it into a Business Opportunity"***

Problems are an obvious source of entrepreneurial opportunities. Where others only see the problem, an entrepreneur may be challenged to search for an answer. Experience tells us the solution doesn't necessarily have to be sought head-on, particularly if mainstream people have looked at it already. Quite often the solution lies somewhere else.

Take the problem of the water hyacinth. This plant proliferates in rivers and lakes in tropical countries, reproducing rapidly and clogging the water. Much thought has been put into the question of how water hyacinths could be put to some profitable use. Theoretically usable as pig fodder or compost, the plant, because it consists of 98% water and a few tough fibers, turned out to be uneconomical for these and most other applications. The research studies in this matter could fill a thick binder while yielding no practical results.

A designer was impressed by the silken sheen taken on by the plant's stems when put through a press, and she processed some. Artfully woven onto a rattan frame, the dried stems can be made into armchairs -- not just any armchairs, but very attractive and sturdy ones. For designers, this is an interesting variation from other materials. What is this supposed to mean for an economist? Not much, if she or he asks the conventional questions in this field: is there a growth market here? No. Is there a market niche here that one could fill with little competition? Probably not.

It is right at this point that the entrepreneur prevails over the conventional economist: through recognition of new potential in something that already exists, even though it doesn't fit any typical economic patterns. Water hyacinths? No potential; an often studied subject with no particular result. An armchair? The furniture market is saturated. The fact that the armchair was noticed at all was almost an accident. The handsome piece was created in the studio of the Thai designer Khun Tuk. Neither part alone, the water hyacinth nor the armchair, suggested anything promising. Put the two together, and they become thought-provoking: a nuisance weed suddenly becomes a raw material with inexhaustible potential. Turning water hyacinths into furniture has meanwhile become a big business in Thailand.

***"Reorganising Work into Fun"***

Do you remember Mark Twain's Tom Sawyer, who was ordered to paint his aunt's fence on Saturday afternoon, the most precious time of the week? Tom divides the work into little pieces so that it becomes an excitement to try it out: his friends eagerly form a queue to be allowed to paint a piece of the fence, and they even pay for it. In

the end, the fence is painted; Tom has not worked a lick, has enjoyed the company of his friends, and has even made money.

This story fascinated me early on, as it embodies an approach to work that is not mere utopian fantasy. There are certain types of work in certain situations where you can reorganise work along Tom's approach. What defines work as laborious and boring often depends on the circumstances. To milk a cow certainly is work for the farmer, but it may be fun and excitement for a tourist. Repetition and skill requirements are Tom's enemies, but imagination and curiosity are his friends.

### ***"Bringing Visions to Life"***

This particular approach is remarkably similar to art. Just like an artist who wants to establish his or her own style, an entrepreneur who wants to carry through a new idea often has to endure a phase of rejection by society. We are familiar with such chapters in the biographies of famous artists as well as in the lives of famous first-generation entrepreneurs. Associated with personal sacrifice, foolish experiments, and the pitying smiles of the establishment, this phase nevertheless constitutes the allure and the challenge in the life of the artist as well as of the entrepreneur. As a rule, most people will not achieve success without such shaky starts, where new frameworks have to be envisioned and great demands on courage and staying power are made.

In his study about famous American entrepreneurs, Hansen (1992) relates the following story. A young man tries to carry out an idea; for eighteen years, he goes without success. He has the vision of a horse carriage propelled by gasoline combustion (the first motors have just been developed) and controlled by mechanical linkages. A brave and daring vision shared by few others of his time. His father thinks he is crazy and on the wrong track. When the vehicle is ready to be driven for the first time, the father refuses to get in because he doesn't want to risk his life. The son piles failure on top of failure. At last a car built by him wins an auto race, only because, being sturdier than those of his competitors, it actually reaches the finish line. The man is called Henry Ford. His story is instructive, because he is indeed considered the prototype of the great capitalist, behind whose later successes the fragility of beginnings, the nurturing of ideas, the persistency and obsessiveness of the outsider all tend to disappear.

The techniques mentioned so far are like tools, helping to deal with pieces of a puzzle that allow many more solutions than just one. Systematic idea development and refinement are rarely ever found in the syllabus of entrepreneurship education. It is the widespread assumption that the founder "brings in" his/her idea. This idea is then "processed" with an eye on the business plan. The tools for this processing are the business knowledge and contents. But no matter how important these contents are, the opportunities inherent in the intensive reworking of the initial idea as such will not be sufficiently examined.

My own experience with entrepreneurs-to-be is that what they regard as an entrepreneurial idea is something like a raw idea – far from anything one would call a mature, refined entrepreneurial concept. Usually their idea is not thoroughly thought out or researched. Connecting links, analogies, cross associations have not been tried against it – in short, the potential to generate a powerful idea is not realised. Quite often, you can find an attitude which I would call "fixation on a first idea." Like falling in love or down a trapdoor, this fixation is something the person is unable to let go of. The fixation phenomenon was similarly experienced in the advisory work at the Berlin Institute of Entrepreneurship. On top of this is the fear that the idea could be stolen, leading to secretive behavior and reluctance towards disclosing and discussing the idea. It is helpful to explain these phenomena to one's audience or clientele and deliberate on it together. In my own workshops, called "entrepreneurship laboratories," I offer the advisee an agreement of sorts. We discuss the initial idea, but the one who has brought it in continues to be its owner. Under this agreement, the owner gets the idea enhanced and enriched, while the fear that the idea could be stolen is mitigated.

After the entrepreneurial idea has passed the explorative phases, has got an innovative core and has proved – theoretically – to provide a competitive edge, the next step has to be idea refinement. While idea development is a process of "opening up" to new horizons and contents, idea refinement is a process of focusing, of going into details. Without opening up, we will not get an innovative part in our business idea; without refining, we will not get the idea to run smoothly in real life.

Synergies can be an important aspect of idea refinement. (Is there anything that can be used simultaneously that someone else also uses or needs?) Anticipate your market-entry. Refine your strategy to counter possible imitators of your idea. (How can you make sure, for example, that it is you who is regarded as the genuine authority and will remain to be perceived as such, even with more resourceful competitors coming on stage?) (For more details see Faltin 1999.)

With a well thought-out and exceptional concept certain problems regarding financing and marketing can be resolved more easily: the financing of the tea campaign caused hardly any problems, as we were in a position to request our mail-order customers to make advance payment. And our marketing, due to the unusual nature of the idea, was taken care of by the editorial coverage of the media.

### *Adapting to Societal Values and Shared Problems*

Of course we cannot impose a set of values on entrepreneurship. But we should be aware that it is values which motivate, and it is a value system that creates culture and cohesion in society. By creating a culture of entrepreneurship, by opening up the field for more groups in society that are not traditionally linked to business, we can expect a new influx of values, of new patterns of problem solving, of new ideas being put into

entrepreneurship, a new quality of participation in the economic sphere. Under such conditions, entrepreneurs would be in good company and on centre stage. Max Weber has described this phenomenon most strikingly. "For Weber the main motivating factor for the entrepreneur was religious belief or the Protestant work ethic which established social norms that discouraged extravagance, conspicuous consumption and indolence. The result was higher productivity, increased savings, and investment" (Kolshorn/Tomecko 1995, p.3). At a time when we become increasingly aware of the diminishing cohesion in modern society, it seems not too far-fetched to predict a comeback of values.

Directing more attention to values will provide an incentive for those people who are not attracted primarily by the prospect of quick money, by greed, or by extreme ambition; these are people who want to keep their independence and their individuality even if that means a relatively low income. They want to do something good, and their ambitions have a new quality: they want to turn their lives into a "spannendes Lebenskunstwerk," a forever fascinating and inspiring work of the art of living (Horx, 1999, 240). This is important to note because many institutions and consultancies that are in the business of promoting entrepreneurship stick to a conservative and conventional view: that you have to sacrifice much of your life and work around the clock. I'm not saying that such virtues don't make sense. You do find many examples of this kind: entrepreneurs who work more than 16 hours a day and offer up their relationships and hobbies on the altar of their venture. But you will also find a new type of entrepreneur who manages to integrate entrepreneurship with individual values: a person who is not prepared to sacrifice his/her lifestyle, who wants to live with a partner and have children or who doesn't necessarily want to be in charge of a large number of employees (op. cit., 241). These observations no longer carry the notion of the entrepreneur as a heroic figure.

Fortunately, the field of entrepreneurial ideas is open for such dimensions of innovativeness: entrepreneurial ideas can be woven into the fabric of societal values and shared problems. Indifference to social problems scares the public, undermines confidence, and almost always backfires (Morgan 1991, 292). One can recognize and integrate the contextual values and shared problems of the society in which one lives. In all likelihood, these ingredients will actually enhance the chance of success.<sup>1</sup>

Our societies are marked by rising levels of education, growing sophistication of consumers regarding their choices, and fast and inexpensive tools concerning product and value-for-money comparisons. There is also increasing awareness of companies'

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<sup>1</sup> The image of founders and start-ups in society differs considerably between countries (Global Entrepreneurship Monitor 2000, Hay 2000). If entrepreneurial ideas are more in tune with societal values and shared problems in their respective countries, this should enhance the image of the entrepreneur as well as of entrepreneurship.

business conduct. These developments lead to new conditions for success in the market place. "Ethic pays" is not an idealistic assumption any more. There is even a need for *moral positioning* as an integral part of companies' strategies (Horx 2001, 117). As an entrepreneur, being in tune with your customers' values and norms will create sympathy towards you and your product; the media may report favorably about your new venture, and articles written about your idea are much better publicity than flashy and expensive advertising.

These aspects should supplement the concept of opportunity recognition, particularly if we want to cast the net wider and attract more people to innovative entrepreneurship. Talking about his experience as an advisor for entrepreneurs-to-be, Bygrave (1994) describes how his clients are often obsessed with trying to create an outstanding, unique idea that only they possess. Bygrave says that he dislikes this obsession with uniqueness. His argument, like Timmons', is that entrepreneurship is about opportunity recognition, and about putting that opportunity into practice.

But why should such an obsession, which leads to an endeavour to create something outstanding, be negative? Perhaps it is just this desire for uniqueness that creates an opportunity and leads to a particularly powerful innovation.

Let us assume that an entrepreneur, not unlike an artist or a scientist, wants to create something extraordinary and unique, something that makes his or her name shine. Naturally the emphasis will be on coming up with an extraordinary idea. Goebel (1990, 87), in his survey of young entrepreneurs, describes the positive aspects of such an obsession. The idea of doing something that nobody else has done or thought of, he says, sets free tremendous energies. It makes the person capable of working hard and effectively under even the most difficult and adverse conditions. We should appreciate and utilize such stamina and enthusiasm. Experience tells us that only in reaching out for a piece of utopia can we expect that some innovative parts will still be left by the time of realization.

If someone chooses the field of entrepreneurship, instead of art or science, what is wrong with such an effort? We should encourage those attempts. Such encouragement will enlarge and enrich the corps of entrepreneurs. Not least, it will enhance the standard and attractiveness of entrepreneurship in society.

The concept of opportunity recognition as described by Bygrave and Timmons looks more like an advanced game for experienced players -- professionals or venture capitalists, familiar with the best practices in their fields and already connected to relevant groups of potential business partners. For them the concept is a perfect set-up for quickly realising potential and organising the steps into practice.

In my workshops, I like to invite participants from extremely diverse disciplines. This mixture opens up a wide spectrum of ideas you can play with. It makes sense to

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invite people who are concerned about social and environmental issues, because these participants who are most focussed on societal causes indicate new directions and trends. Include participants who are non-conformists and outsiders in their field (beware of the dogmatic). It is this mix of people - with clear-cut structure and methodological inputs from your side - which creates amazingly powerful concepts. As a by-product you will find an increasing number of participants unwilling to wait for action from political parties, governments, or national initiatives, but who themselves recognize entrepreneurship as a promising venue for change.

## CONCLUSION

Becoming an entrepreneur is no longer the 'Absonderlichkeit eines Lebenslaufs,' the idiosyncratic twist of one person's professional development, but a fulfilling career, a career one can plan for, a career within reach of many more people than might have been imagined.

The attempt was undertaken to show that the interplay of several factors – the significance of the entrepreneurial idea, the findings on creativity, chances for the systematic developing of ideas and adapting them to society's values and problems – could set the stage for a larger part of the population to participate in a more open, more accessible and more widespread culture of innovative entrepreneurship.

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