

ENTREPRENEURSHIP AND URBAN REQUIREMENTS



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OBJECTIVES AND RESULTS

- include multiple disciplines and perspectives in discussions of urban agriculture and entrepreneurship
- build the entrepreneurial spirit of students - strengthen the ability of students to overcome barriers
- provide participants with an international experience through the study of case studies from different countries
- ability of participants to argue to promote urban agriculture as an innovative concept of meeting the needs of the local community contributing to the reduction of pollution (transport, waste) and strengthening the health of the population, but also social cohesion
- skills and knowledge necessary for starting your own business, ie strengthening the entrepreneurial spirit

Food production that has nothing to do with classic agricultural production?

Can everyone be engaged in this production - individuals, groups of citizens, children of the institution?

Producing food that better meets the needs of the local community

Food production that is organized in an unusual space and that focuses on better use of space, not land?

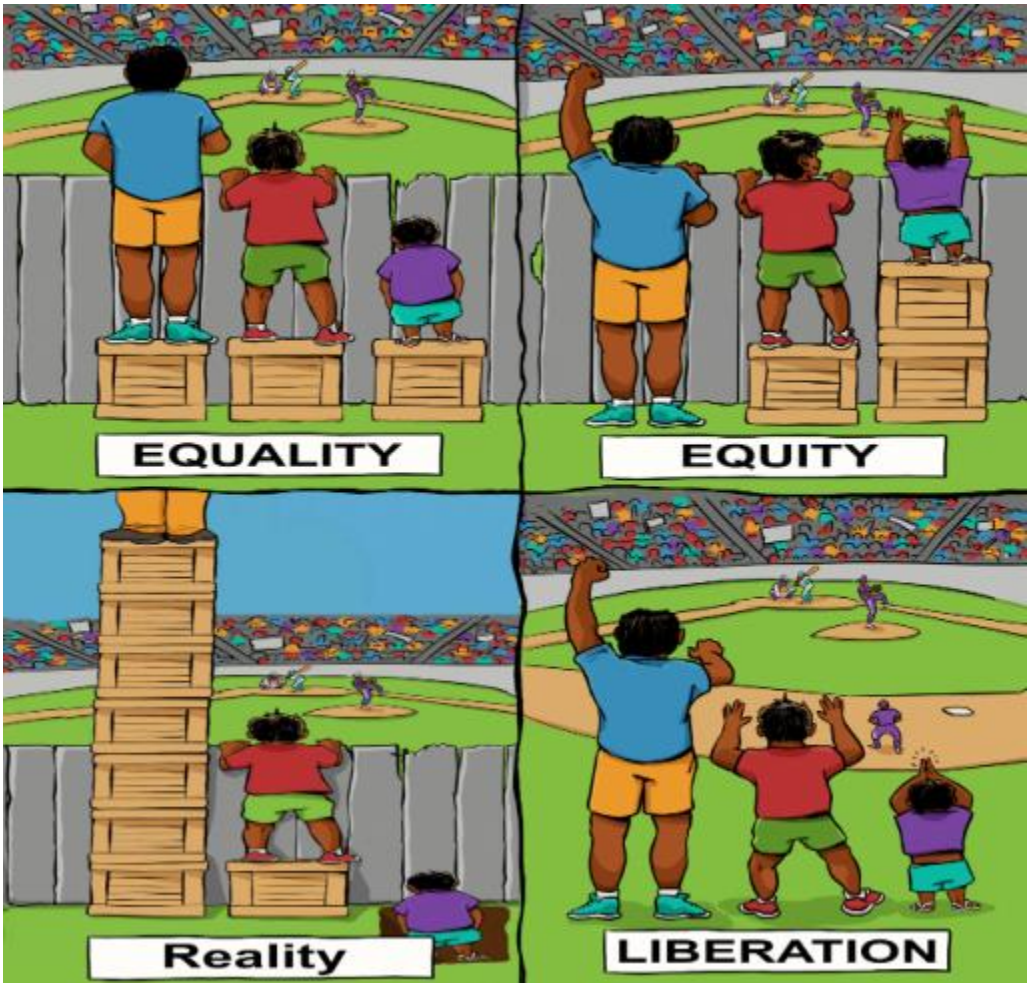
Food production that offers new / innovated products and services obtained through the application of innovative technical and technological methods and business models?

Production that produces the same products as classic agriculture?

Production and distribution of food that reduces transport costs, and increases safety or knowledge of where food comes from, and is associated with complementary branches - recreation, treatment, gastronomic delights, crafts?

Producing food that reduces / uses waste, reduces emissions and reduces water pollution and uses it efficiently?

WHAT IS URBAN AGRICULTURE?



REALITY –

no barriers and inequality & exclusion – fertile soil for conflict

SOCIAL JUSTICE –

no barriers is a way to conflict prevention – Peace promotion

Urban agriculture is a set of innovative technical-technological solutions in food distribution and consumption that is organized in urban and peri-urban areas.

It focuses on efficient, unconventional and innovatively used space (both vertically and horizontally on land and other surfaces) and that offers products and services that more adequately meet the needs of the local community by providing food from a known source, reduce the need for transport, use water more efficiently and pollute it less, while reducing the production of harmful gases, contribute to reducing pollution in cities, and reduce and / or use waste .

Such production is organized through innovative business models and offers services to the local community, providing the opportunity to generate new income (jobs), offers space for relaxation and "social rehabilitation", education and raises the level of social cohesion by helping all who are excluded or they do not have the same approach.

It is a movement that is emerging, but also a movement that is becoming more important in megacities that are becoming more common.

TYPES OF URBAN AGRICULTURE (UA)

Business activities of urban agriculture (UA) can be grouped in different ways, ie on different bases we can define the types of UA.

Thus, UA business activities can be grouped by size, by proximity to the urban center, by business activities within the value chain, by innovation and the like.

TYPES OF URBAN AGRICULTURE

1

Focus on your own needs / selfconsumption

2

Focus on the market / business oriented

3

Focus on community services / socialy oriented

1

Focus on your own needs / selfconsumption

We use a small space
"at your fingertips",
what we have at our
disposal - we
supplement the diet
and / or use it for
beautification,
treatment, relaxation
and socialization!



"High technology" is
also used. For
example, urban
beekeeping - do it
yourself principle.



They need knowledge,
and they get it by
sharing experiences
and socializing -
socialization is often
the focus.



Fokus na tržište/business oriented

2

Various business activities: small farms, large agribusiness farms, various "table to table" initiatives, catering, special productions, shared gardens, various innovative businesses in terms of food distribution and preparation.



Svojim novim prototipom eko-bašte “Globe/Hedron”, dizajner Antonio Scarponi je otišao i korak dalje. On je u okviru svoje nove bašte uključio i prostor za uzgajanje riba.

Njegova nova rešenja bazirana su na osnovu projekata i rešenja grupacije urbanih uzgajivača hrane u Cirihiu.

Prototip Globe/Hedron “je staklena bašta dizajnirana za organsko uzgajanje ribe i povrća na vrhu generičkih ravnih krovova.

Dizajn je optimizovan na bazi savremenih poljoprivrednih metoda i tehnika za uzgoj ribe gde: voda ishranjuje biljke, a biljke čiste vodu ribama”.

Korišćenjem ove poljoprivredne tehnike prototip Globus/Hedron je optimizovan da u periodu od četiri godihe obezbedi ishranu za četiri porodice.

Ovim projektom moguće je obezbediti 100 kg ribe i 400 kg povrća, od brokolija i blitve preko zime, do paradajza i plavog patlidžana u letnjim mesecima.

Prema Scarponiju geodetski dizajn kupe omogućava da veliki i težak akvarijum ima stabilnost na čvrstom okviru staklenika tako da “vodena farma može biti postavljena na više krovova bez strukturnog dodatnog prilagođavanja zgrade.”

Korišćenje kupole može biti višenamensko.

Kupola može biti opremljena i solarnim panelima i rashladnim turbinama koje bi generisale energiju, a osnovna struktura se može prilagoditi efektu staklene ploče ili izolacionih panela tako da odgovara različitim okruženjima i vremenskim uslovima.

Unutrašnjost može biti konstruisana na različite načine u zavisnosti od cene, ekoloških potreba i adekvatne izolacije. Cela kupola može da se raspakuje i pakuje radi lakšeg transporta i postavljanja.

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Prilikom projektovanja bašte Scarponi je uzeo sve u obzir, pa i energiju koja je potrebna za funkcionisanje bašte.

Poslednji testovi bi trebali da daju odgovor da li će solarni paneli postavljeni na kupoli biti dovoljni za energetske održivost, kako bi troškovi održivosti bašte bili svedeni na minimumu.

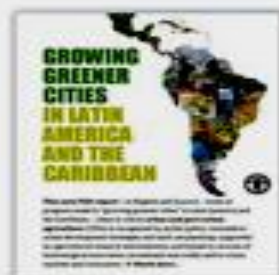
3

Focus on community
services / green
infrastructure / support
/ development



employment, recycles urban wastes, creates greenbelts, and strengthens cities' resilience to climate change.

Latest



Report: Growing greener cities in Latin America and the Caribbean



Guidelines: Work on urban forestry



Paper: Aquaponics in Gaza

Resources



FAO's role in urban agriculture

Urban and peri-urban agriculture (UPA) can be defined as the growing of plants and the raising of animals within and around cities.

Urban and peri-urban agriculture provides food products from different types of crops (grains, root crops, vegetables, mushrooms, fruits), animals (poultry, rabbits, goats, sheep, cattle, pigs, guinea pigs, fish, etc.) as well as non-food products (e.g. aromatic and medicinal herbs, ornamental plants, tree products).

UPA includes trees managed for producing fruit and fuelwood, as well as tree systems integrated and managed with crops (agroforestry) and small-scale aquaculture.

Food security

UPA can make an important contribution to household food security, especially in times of crisis or food shortages.

Produce is either consumed by the producers, or sold in urban markets, such as the increasingly popular weekend farmers' markets found in many cities.

Because locally produced food requires less transportation and refrigeration, it can supply nearby markets with fresher and more nutritious products at competitive prices.

Consumers - especially low-income residents - enjoy easier access to fresh produce, greater choice and better prices.

Urban farming

Vegetables have a short production cycle: some can be harvested within 60 days of planting, so are well suited for urban farming.

Garden plots can be up to 15 times more productive than rural holdings. An area of just one square metre can provide 20 kg of food a year.

Urban vegetable growers spend less on transport, packaging and storage, and can sell directly through street food stands and market stalls. More income goes to them instead of middlemen.

Urban agriculture provides employment and incomes for poor women and other disadvantaged groups.

Horticulture can generate one job every 100 sq m garden in production, input supply, marketing and value-addition from producer to consumer.

Key facts

- Urban agriculture is practised by 800 million people worldwide
- It helps low-income urban residents save money on food purchases
- In many countries, urban agriculture is still informal and sometimes illegal
- FAO promotes policies that recognize urban food production as a legitimate land use and economic activity

Publications



Food for the Cities

Urban and peri-urban forestry in Africa: the outlook for woodfuel

[More publications](#)

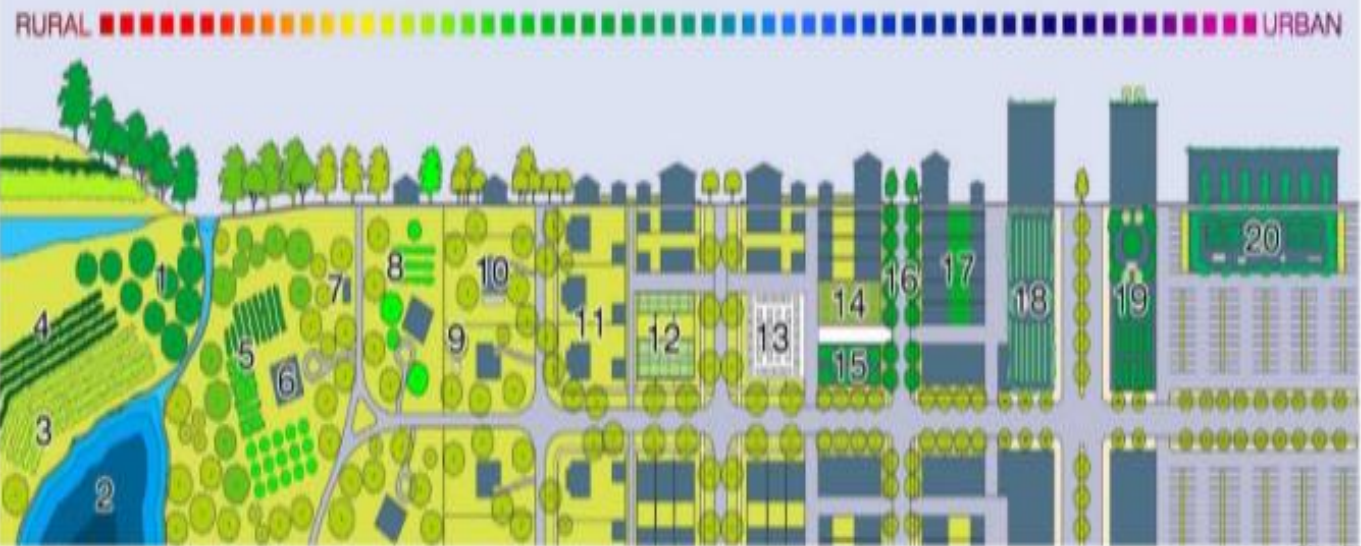
[External links](#)



Agri-Urban Spectrum

Permacultural Concepts and the Urban-Rural Transect

- | | | | | |
|--------------------------|--------------------------|----------------------------------|---------------------------|------------------------------------|
| 1 Silviculture/Forestry | 5 Organic Farm | 9 Backyard Animals | 13 Farmers' Market | 17 Community Supported Agriculture |
| 2 Aquaculture/Fishery | 6 Agri-Tourism/Farm Stay | 10 Raised Garden Bed | 14 Community Garden* | 18 Rooftop Garden |
| 3 Agriculture/Farm/Ranch | 7 Farmstand | 11 Edible Landscape/ Streetscape | 15 Civic/Park Garden* | 19 Living Building |
| 4 Viticulture/Vineyard | 8 Boutique Farm | 12 Greenhouse | 16 Market/Festival Street | 20 Vertical Farm |



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Permaculture is an ecological design system for sustainability in all aspects of human endeavor. It teaches us how to build natural homes, grow our own food, restore diminished landscapes and ecosystems, catch rainwater, build communities and much more. Permaculture.org

* Community, Civic and Park Gardens are ideal sites for Community Emergency Centers which could include emergency equipment, supplies, portable toilets and manual water pumps.

Urban agriculture is the growing of plants and raising of animals within and around cities. The most striking feature of urban agriculture, which distinguishes it from rural agriculture, is that it is integrated into the urban economic and ecological system; urban agriculture is embedded in—and interacting with—the urban ecosystem. RUAF.org

Urban-to-Rural Transect courtesy of NewUrbanism.org

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WHAT WILL BE YOUR JOB? - workshop - conclusion!

Based on the results of the discussion, it was clear:

that urban agriculture as an economic branch consisting of various business areas is still "unknown territory" for students, and especially students do not understand what is an economic branch and what are the areas that make up an economic branch - therefore it is defined as an economic branch entrepreneurship;

all fellow students recognize that urban agriculture has close links with innovation and the IT sector, but it is not clear to them how the IT sector connects with urban agriculture and how they will be a part of it;

all colleagues refer to existing knowledge related to production technology when defining business areas (at least one of them);

none of the students mentioned "services" (especially non-specific ones - relaxation, social inclusion, development and strengthening of the local community) other than work in education, but they talk about it as tasks they will perform because it is an important part of the concept of urban agriculture - they do not understand how knowledge can be turned into business and are not yet ready to think innovatively and creatively - they repeat everything they have heard or read before - it is the fear of individual and different thinking that limits the building of entrepreneurial spirit, and the low ability to think like that it is associated with a low level of knowledge and understanding of the concept of urban agriculture;

At the end of the discussion, they seem to have realized that urban agriculture is an emerging activity, although it has existed since cities, and that it deals with quality improvement through the application of innovative techniques and technologies related to food production, processing, distribution and consumption, including supporting it - information exchange and information management, production of all types of inputs including specific materials, as well as institutions dealing with development and marketing, and catering and urban planning.

Assignment for all students

All students should briefly, based on literature (economic dictionaries):

clarify what an economic branch is;

clarify what are the business areas / areas that make up the industry;

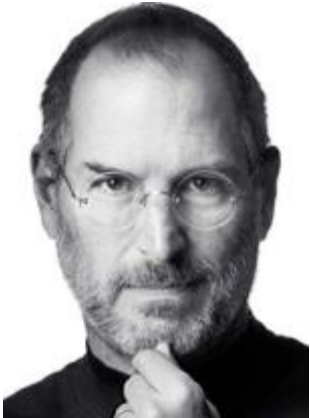
clearly define the difference between economic / business branch and business areas / areas;

what are the jobs for which students who complete the master's level of education are educated;

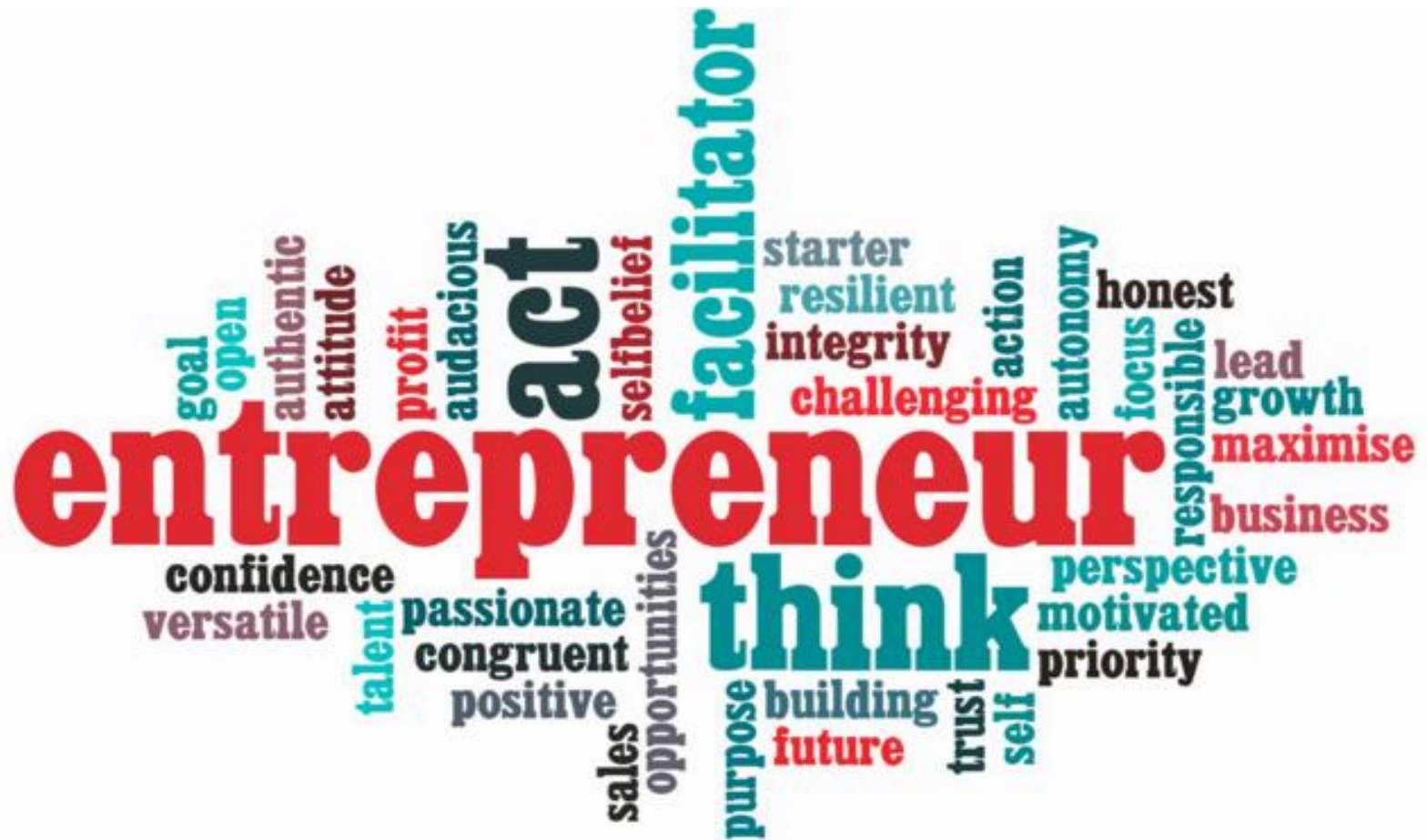
what are the general tasks in business entities performed by students completing a master's degree;

what is the general definition of the term "Internet of Things", and what is meant when we use the word "smart" and what is the fourth industrial revolution

How do you / you see the people in the picture?



Who are the entrepreneurs?



Entrepreneur...

- It directly affects the company's business
- Successful entrepreneur - good results
- Entrepreneurs are innovative
- Freedom
- Vision
- Curiosity
- Social change
- Changing the culture within the company

The power of entrepreneurs...

- More than 500 million people are involved in entrepreneurial activities in the World, in 2010
- Entrepreneurs are "revolutionaries" ...
- Example:
- Henry Ford
- Model T



What is entrepreneurship?



Entrepreneurship ...

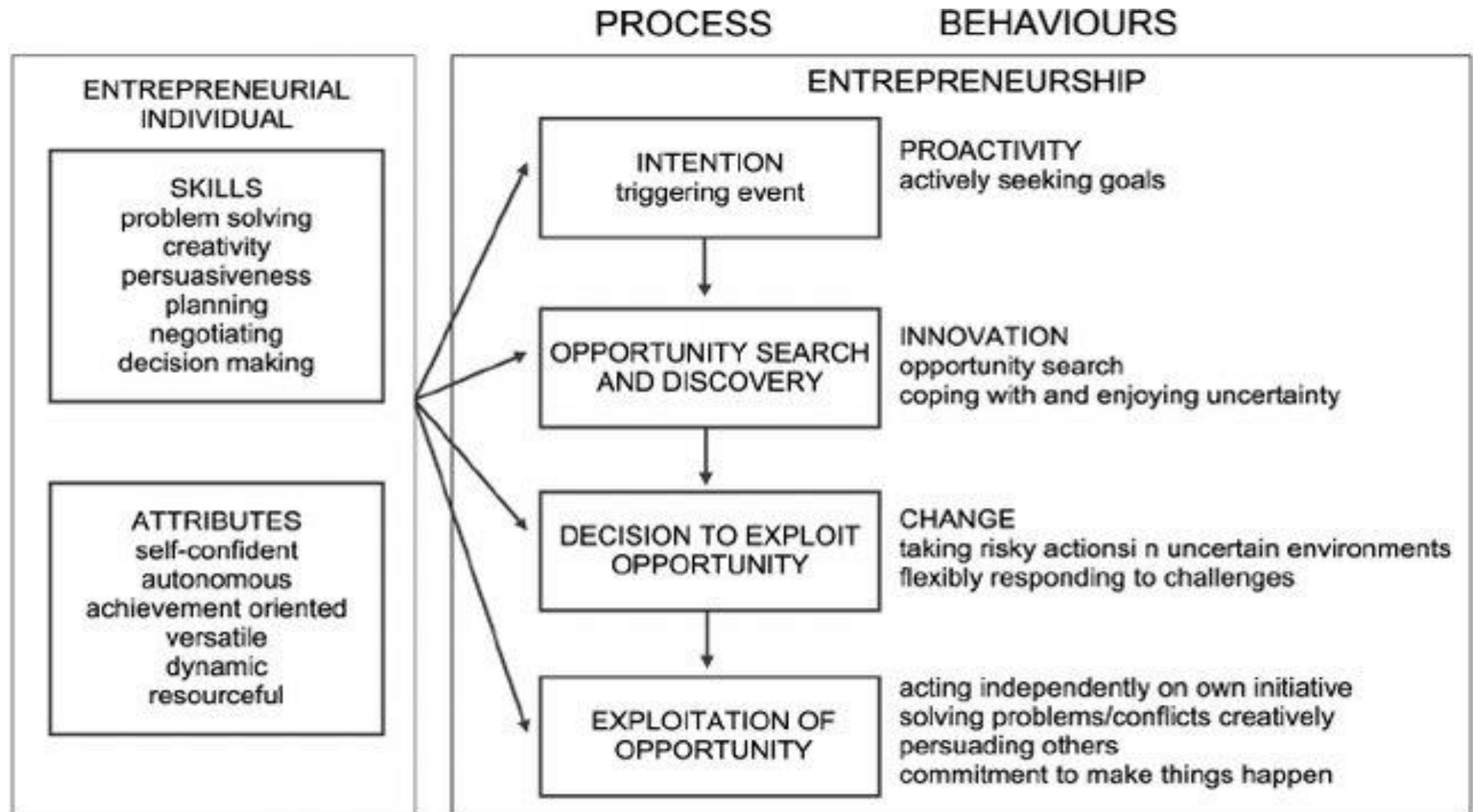
- 90% of all companies, SMEs
- 60% of GDP, SMEs
- 60% of jobs, SMEs
- Most new jobs, SMEs

Characteristics of entrepreneurs...

- The 10 Ds

Dream	Entrepreneurs have a vision of what the future could be like for them and their businesses. And, more important, they have the ability to implement their dreams.
Decisiveness	They don't procrastinate. They make decisions swiftly. Their swiftness is a key factor in their success.
Doers	Once they decide on a course of action, they implement it as quickly as possible.
Determination	They implement their ventures with total commitment. They seldom give up, even when confronted by obstacles that seem insurmountable.
Dedication	They are totally dedicated to their businesses, sometimes at considerable cost to their relationships with friends and families. They work tirelessly. Twelve-hour days and seven-day workweeks are not uncommon when an entrepreneur is striving to get a business off the ground.
Devotion	Entrepreneurs love what they do. It is that love that sustains them when the going gets tough. And it is love of their product or service that makes them so effective at selling it.
Details	It is said that the devil resides in the details. That is never more true than in starting and growing a business. The entrepreneur must be on top of the critical details.
Destiny	They want to be in charge of their own destiny rather than dependent on an employer.
Dollars / Euros	Getting rich is not the prime motivator of entrepreneurs. Money is more a measure of success. Entrepreneurs assume that if they are successful they will be rewarded.
Distribute	Entrepreneurs distribute the ownership of their businesses with key employees who are critical to the success of the business.

Explanation of entrepreneurial activities and processes



Source: Elaborated from Gibb (1993) and Shook *et al.* (2003)

Explanation of entrepreneurial activities and processes

- functions →
 - activities →
 - actions →
- Creating organization and organizational culture**



Entrepreneurship can be learned!

"Ingredients" of successful companies...

1. Founders - Every new business has first-class entrepreneurs in its ranks!



2. Focus

Enterprising companies are focusing on a niche! They specialize in something!



3. Speed!

Make decisions quickly and implement them quickly!

They change quickly, they adapt!



4. Agilnost i fleksibilnost

They have an open-minded approach to opportunities from the environment.

They respond to changes in the environment.



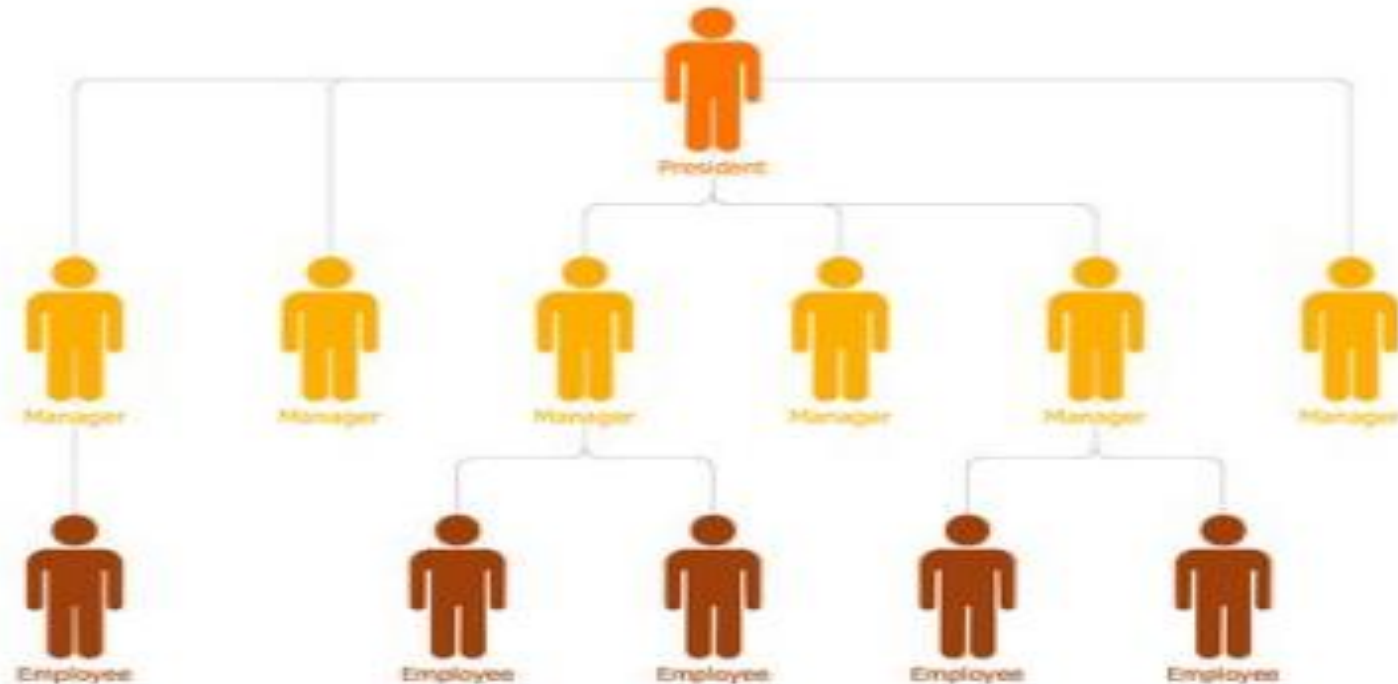
5. They always innovate

They are constantly and tirelessly innovating!



6. With as little hierarchy as possible

As few management levels as possible!



7. Saving

By keeping productivity high, enterprising companies keep an eye on costs!



8. Friendly

Enterprising companies are friends to their suppliers and employees!



9. Zabavne

They give off the image of fun, they do their job through fun!



How are ideas "found"? Business ideas?



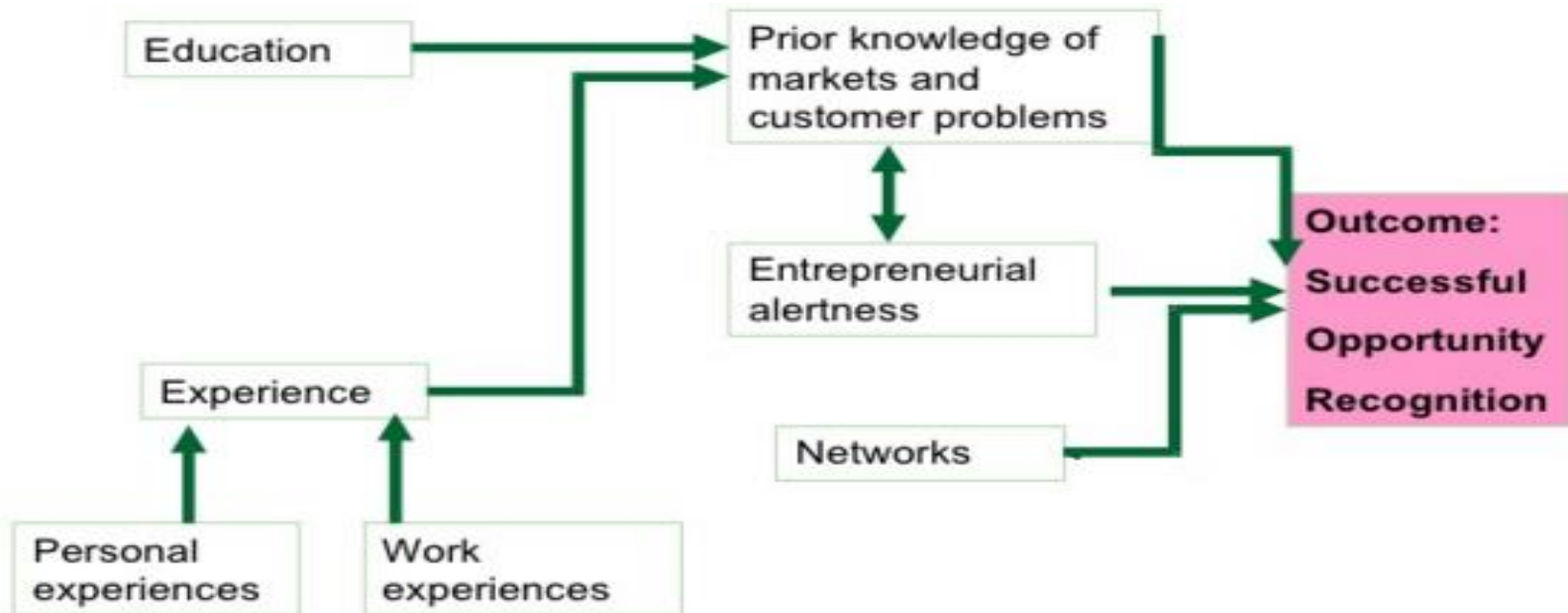
What to do?

- Long-term thinking
- It requires a lot of time and energy from you
- Find "passion":
- What do you like to do?
- What are your hobbies?
- Sports?



Recognizing opportunities

- In entrepreneurship, everything is in order!



Is it your idea and opportunity?

- Check your idea on several criteria:
- 1 - customers;
- 2 - competitors;
- 3 - suppliers;
- 4 - government;
- 5 - wider global environment.

Opportunity check:

Customer	identifiable, demographics, psychographics
Trends	macro market, target market, window of opportunity, market structure
Market size	how many, demand
Market growth	rate
Price/Frequency/Value	price, frequency, value, operating expenses, net income margin, volume
Distribution	where are you in the value chain?
Competition	market structure, number of direct and indirect competitors, number of substitutes, stealth competitors, strength of competitors
Key success factors	relative position
Vendors	relative power, gross margins they control in the value chain
Government	regulation, taxes
Global environment	customers, competition, vendors

- Innovation
- Search for opportunities, search for opportunities
- Risking
- New products and services
- They listen to their surroundings

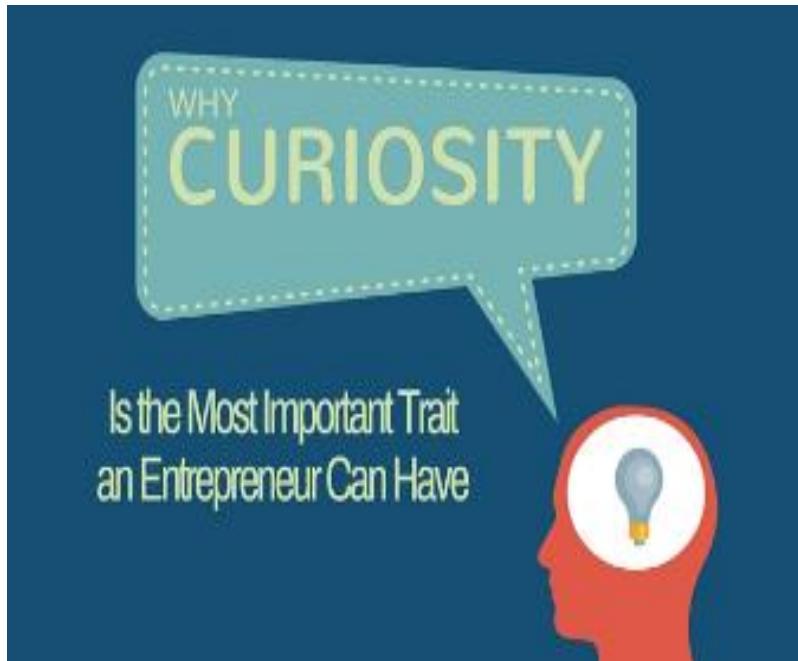
Red Thread and business?

- Richard Branson



Features of the producer

curiosity



creativity



"Passion"

YOUR PASSION IS
YOUR SUCCESS

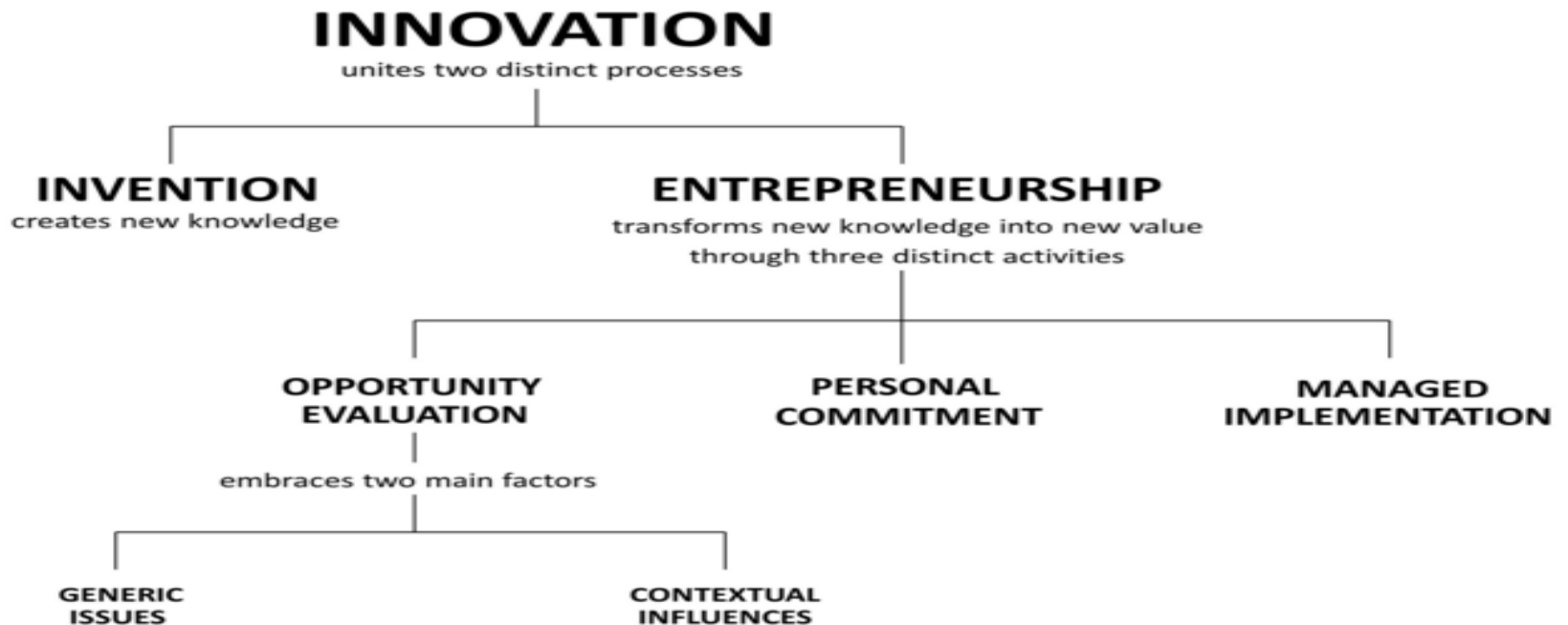
Extend
My Staff



innovation

Innovation and entrepreneurship

- Innovation is a tool of entrepreneurship
- Innovation is key to growth



Why is it important to innovate?

- Organizations that don't innovate don't grow
- Competition innovates
- Innovative products and services are value for the company
- Successful companies invest in research and development

Whose job is it?

- Inventor: new technologies and new products and services
- They are often not for the market
- Innovator: transforms those technologies, products and services, creates business models, creates an experience for the consumer
- Preparing for the market
- Entrepreneur: recognizes and uses opportunities, takes risks, takes, creates and develops business further
- Places on the market

The Mobile phone

- **1926:** The first mobile telephony service
- **1946:** The first calls were made on a car
- **1956:** The first automated mobile phone system
- **1969:** NMT Group was established.
- **1973:** the first public mobile phone
- **1987:** The Technical specifications for the GSM standard are approved.
- **1992:** The world's first ever SMS
- **1996/97:** UK - 16% of households had mobile phones
- **1998:** The first downloadable content (the ringtone)
- **1999:** Emojis
- **2007:** The iPhone debuted



- Define goals
- A future image of you, a distant future image of you with clear company values.

Vizija



Some of the business models

E-business



Home-based business

Start up

- Home Goods, Décor, and Candles
- Food, Tea, and Wine
- Health and Wellness
- Personal Care and Makeup





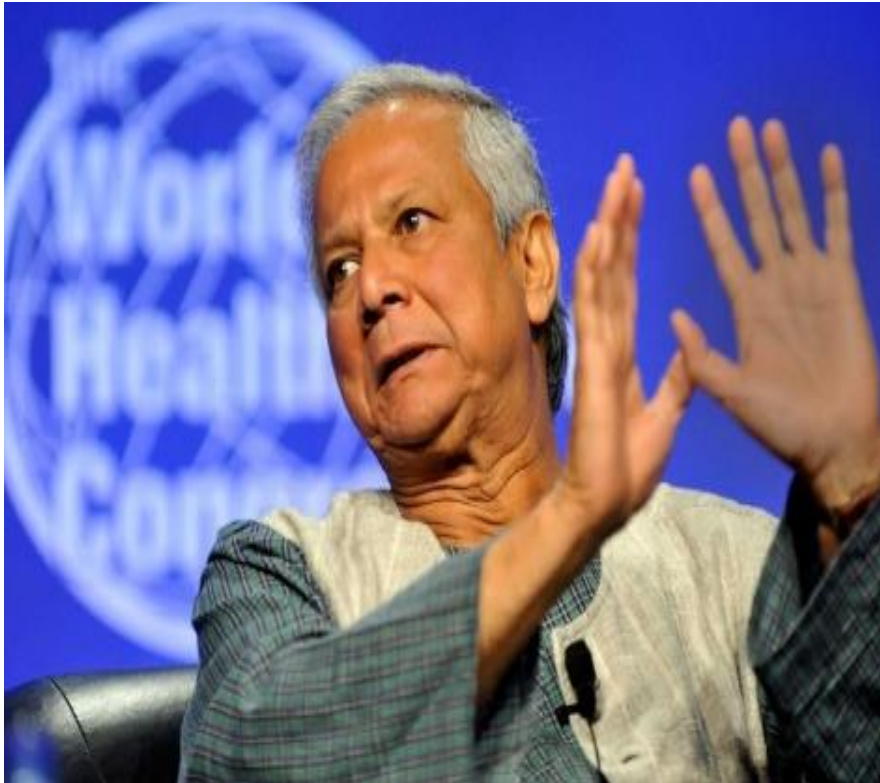
Women entrepreneurship

Family business

Rank ^	Company name ^	Family owner(s) ^	Founded ^	Listing status ^	Country ^
1	Walmart Inc.	Walton	1945	Public	USA
2	Volkswagen AG	Porsche and Piech	1937	Public	Germany
3	Berkshire Hathaway Inc.	Buffett	1955	Public	USA
4	Exor NV	Agnelli	1899	Public	Netherlands
5	Ford Motor Company	Ford	1903	Public	USA
6	Schwarz Gruppe	Schwarz	1930	Private	Germany
7	BMW AG	Quandt and Klatten	1916	Public	Germany
8	Cargill, Incorporated	Cargill and MacMillan	1865	Private	USA
9	Tata Sons Ltd	Tata	1868	Private	India
10	Koch Industries, Inc.	Koch	1940	Private	USA
11	Comcast Corporation	Roberts	1963	Public	USA
12	Pacific Construction Group Company Ltd	Yan	1995	Private	China
13	Dell Technologies Inc.	Dell	1984	Public	USA
14	Aldi Group	Albrecht	1913	Private	Germany
15	Amer International Group Company Ltd	Wang Wenjin	1994	Private	China
16	ArcelorMittal	Mittal	1976	Public	Luxembourg
17	Auchan Holding SA	Mulliez	1961	Private	France
18	Gunvor Group Ltd	Törnqvist	1997	Private	Switzerland
19	Reliance Industries Ltd	Ambani	1966	Public	India
20	LG Electronics Inc.	Koo	1947	Public	South Korea

Social entrepreneurship

The Financier: Grameen Bank



Entrepreneurship

*Entrepreneurial activity by
Entrepreneur*

Rewards go to Entrepreneur

Risk taken by Entrepreneur

Intrapreneurship

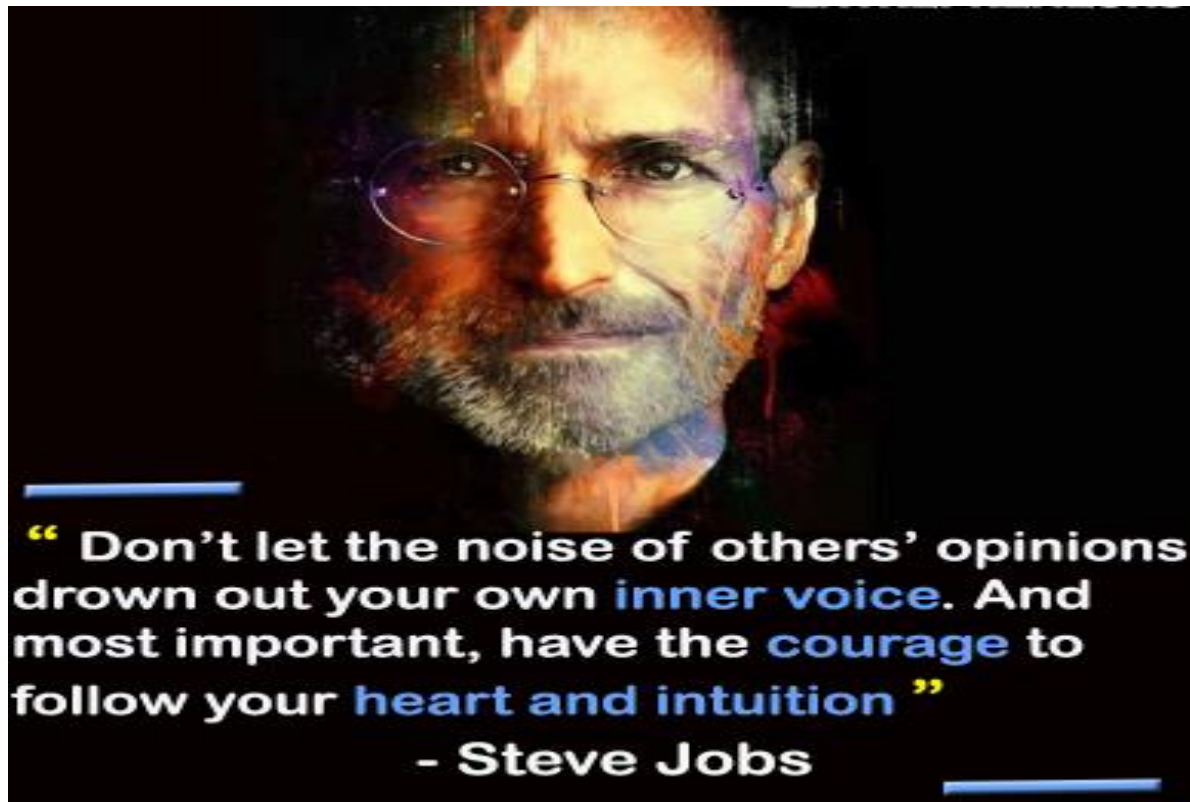
*Entrepreneurial activity by
employees and managers*

*Rewards (most) go to
company*

Risk taken by company

Evaluation of potential of start-ups

- Entrepreneurs are fascinated with quotes.



- We will explain that ethics and social responsibility are the drivers of building a successful business venture!
- We will explain why the business paradigm has changed - what has conditioned the shaping of the current modern business philosophy!



ENTREPRENEURS MUST BECOME “AGENTS / CARRIERS” OF CHANGE - IN THIS WAY WE AFFECT THE ENTIRE SOCIETY - BOTH THE OFFER AND THE SEARCH AND ENABLE EVERYONE IN A SIMPLE WAY (THROUGH CONSUMPTION)!

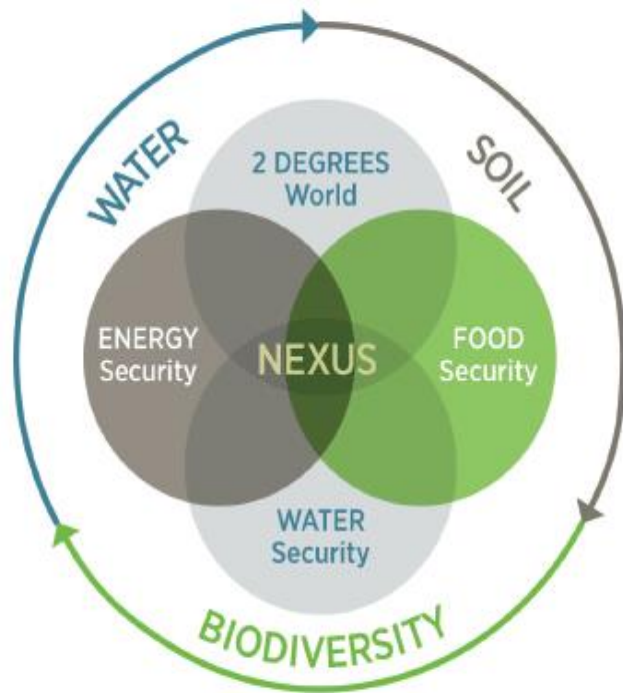
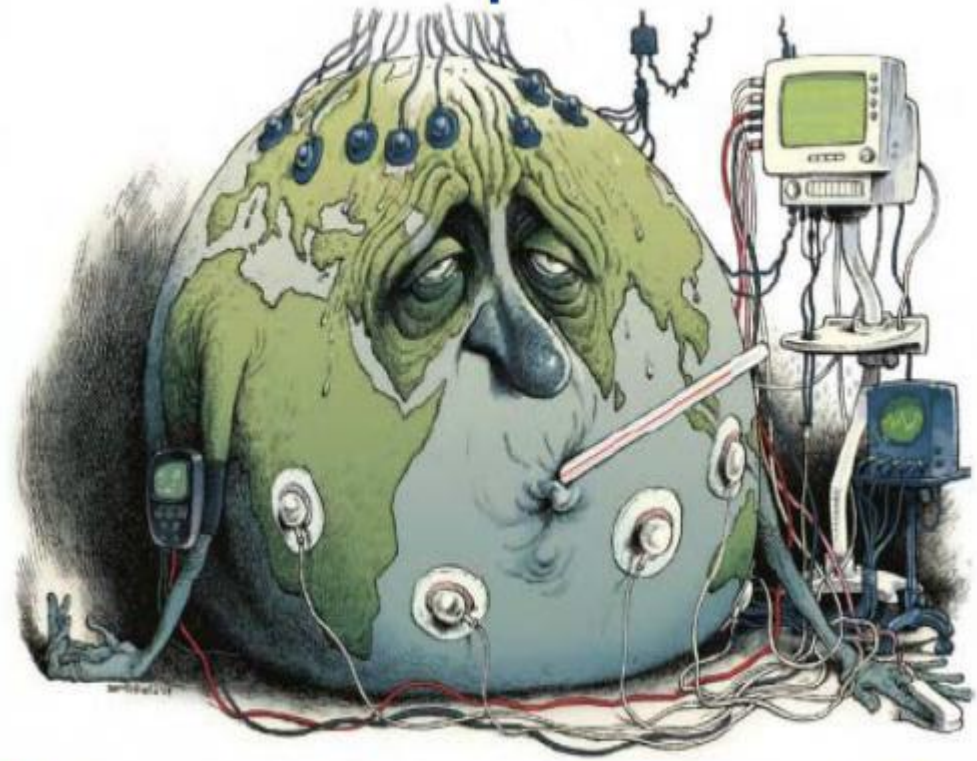


Figure 4.6. The water-energy-food-climate nexus. Source: Reprinted from Müller et al. (2015b), with permission from Elsevier.

Collective Responsibility in the Anthropocene



From the fact that companies are a social and economic entity, it follows that companies have a clearly defined economic role and goals, as well as social role and goals.

Social goals are achieved through the achievement of economic goals, ie the economic role of the company is a key instrument for achieving its social role.

However, without an adequate social role, without "nurturing" the achievement of social goals, the risk of unstainability and failure and the impossibility of achieving economic goals GROWS!

“We will soon be faced with the problem of corporate governance again and again.

We will need to redefine the purpose of the organization's engagement and its management, to satisfy both legal owners, such as shareholders, and human capital owners, such as knowledge workers, who give the organization the ability to create wealth.

Increasingly, an organization's ability will depend on its "comparative advantage" in making its workers' knowledge productive. "And the ability to attract and retain the best knowledge workers is the first and most important assumption.

What does capitalism mean when knowledge governs before money? What do "free markets" mean when knowledge workers are real assets?

Knowledge workers cannot be bought or sold.

They come neither with acquisitions nor mergers.

It is certain that the growing importance of knowledge workers will bring about fundamental changes in the structure and nature of the economic system »

ADDED VALUE !!! The common need of all stakeholders! Your job is to create the desired added value through creative knowledge-based work!

Modern business policy requires increasing the capacity to create wealth for EVERYONE!

HOW?

Always think about HARMONIZING SOCIAL AND ECONOMIC GOALS of all interest groups!

- Companies need to reconcile social and economic benefits, because then they become efficient and create the foundation for sustainable business.
- Managers find a way to meet the opposing goals of each of the stakeholders and individual goals.
- Creating new values for all, ie building the ability to create wealth / well-being is the PURPOSE OF BUSINESS!
- SATISFACTION OF INTEREST GROUPS IS THE GOAL OF BUSINESS!
- The task and obligation is efficient and profitable business because without it there is no realization of new value and realization of the purpose of business!

- Business ethics is a branch of applied ethics, and it studies what is good and right for business. Eika defines the standards of what is good and directs the behavior of the insane.
- The relationship / communication of the company to the customer / consumer!
- Quality / safety of products and services!
- The company's attitude towards natural resources (pollution, consumption of non-renewable resources)!
- Attitude towards the cultural peculiarities of the countries in which they operate!
- The issue of bribery to get a job (corruption)!



- “It Profit and profit maximization are irrelevant quantities.
- Profit is not an explanation, cause or ratio of business behavior and business decisions, it is primarily a test of their validity... ”
- “... Profit is for business the same as breathing for life.
- Breathing is essential for living, but it is not its purpose.
- Likewise, profits are essential for a company to exist, but they are not the reason for its existence ... ”.

GOAL AND EXPECTATIONS

- Why is it important to know?
- shape the business idea in order to provide the support of relevant actors for its realization: investors, suppliers, contractors, legislators and consumers.
- In what way?
- there is no strict and clearly prescribed way of shaping a business idea
- however, there are elements that need to be designed to make the idea clear and to assess the risk of its implementation, and the form is determined by those who assess how much money and energy to invest in the described venture.
- Ability to formulate a business idea?
- what it means and how it is acquired.

Starting a business? New idea?



Business opportunity



Window of Opportunity

by Anna Vital

Best Times In Life To Start a Business



just lost everything

great, now you have
nothing to lose,
so risk big

just got a laptop



perfect, you got the
equipment to start

just graduated



now it's time to
use what you know

just got depressed



now you know what
rock bottom feels like,
it won't get any worse

just moved



now that you are in
a better place, do
better things

just died



sorry, the window
just missed you

just married



congrats, you got
yourself a co-founder

just found a job



learn what you
need and leave

**just failed
a business**



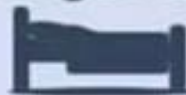
super, now you know
how to not do it

just livin' the life



when things are going well,
it's easier to start

just got sick



now that you are comfortably in
bed you can think up a plan

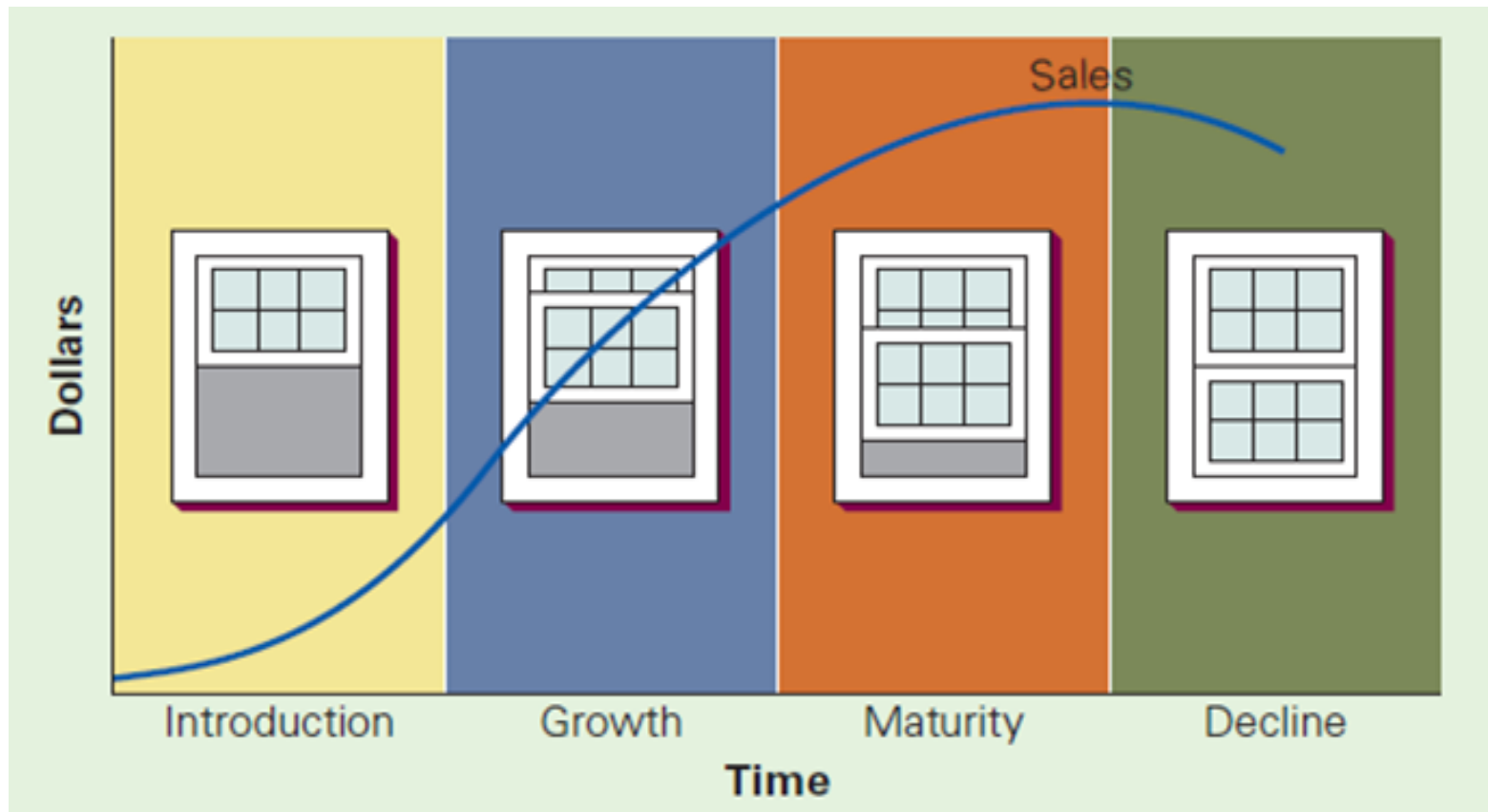
just got a kid



now you have someone
to be an example for

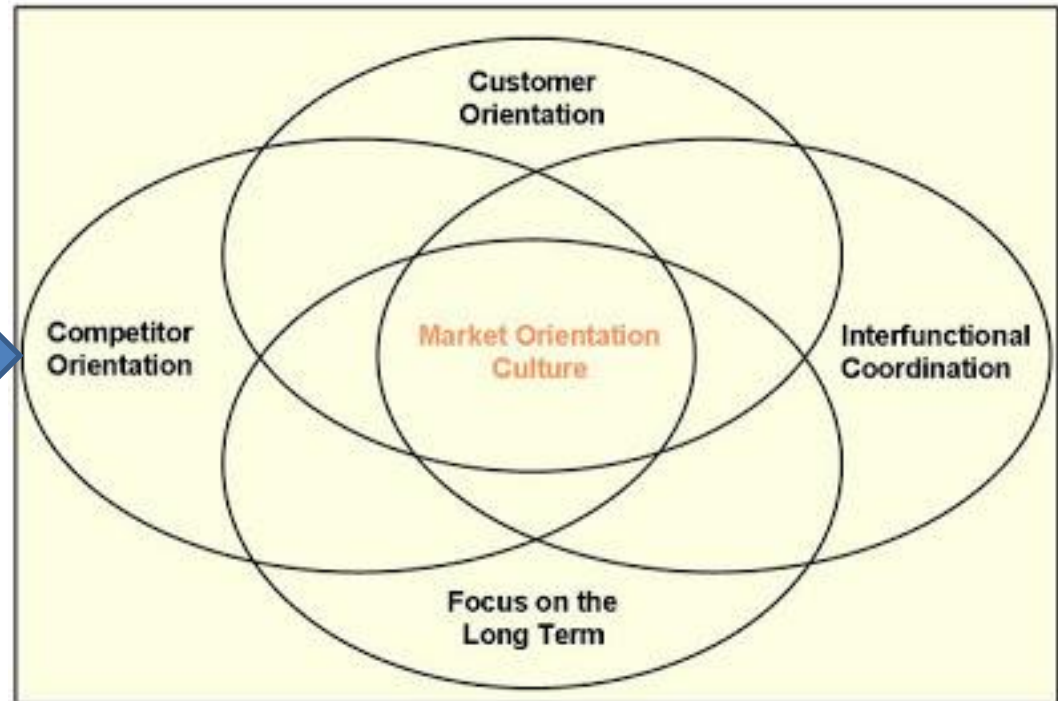
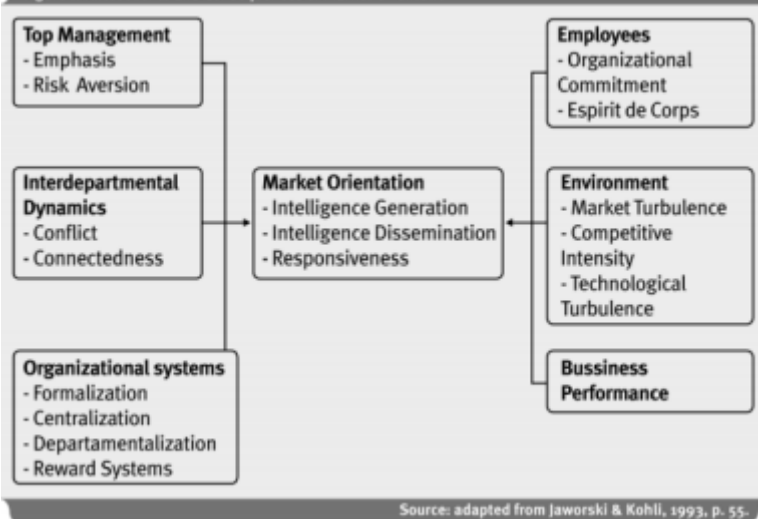
Funders and Founders

Product life cycle stages in the market

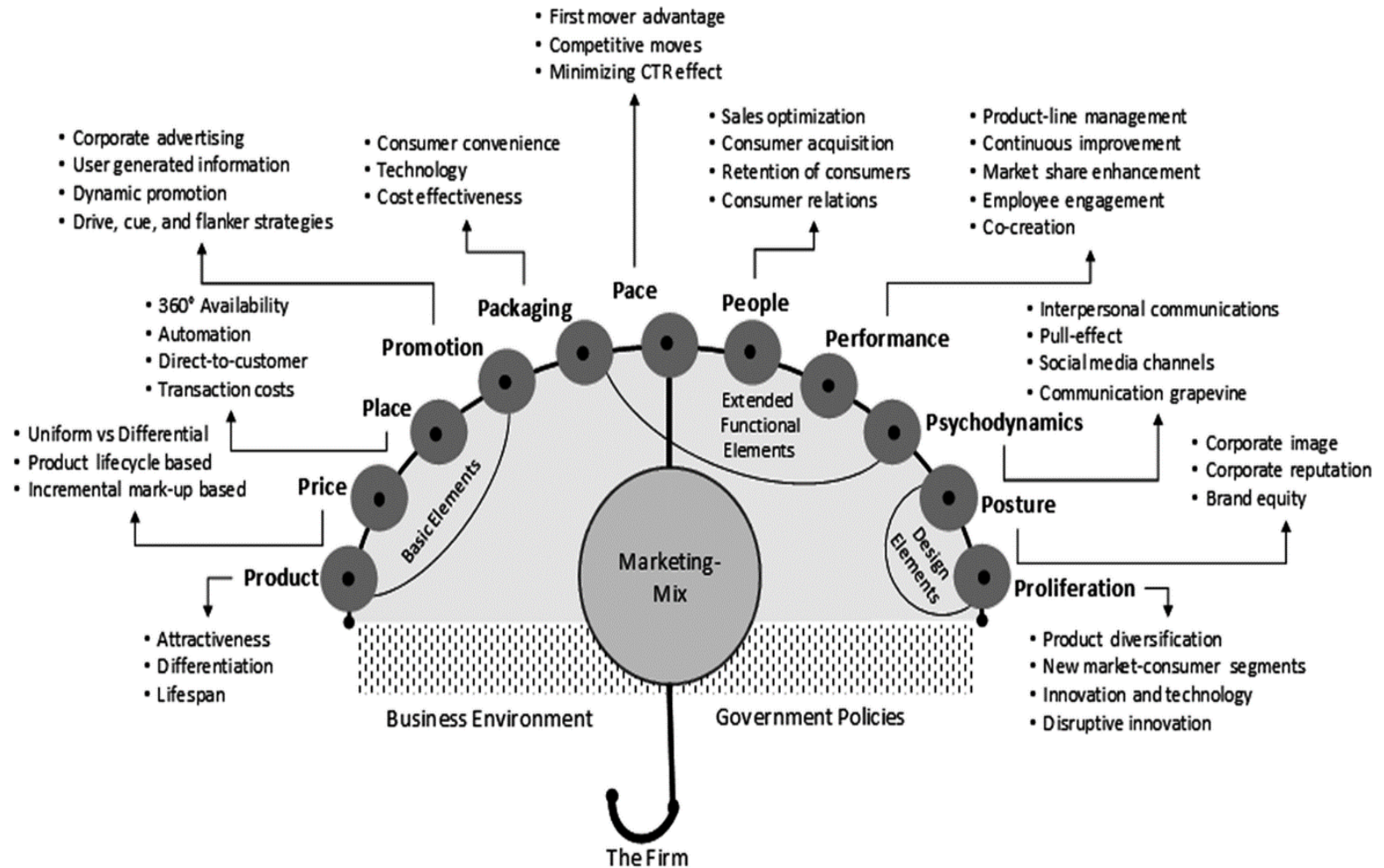


Market orientation

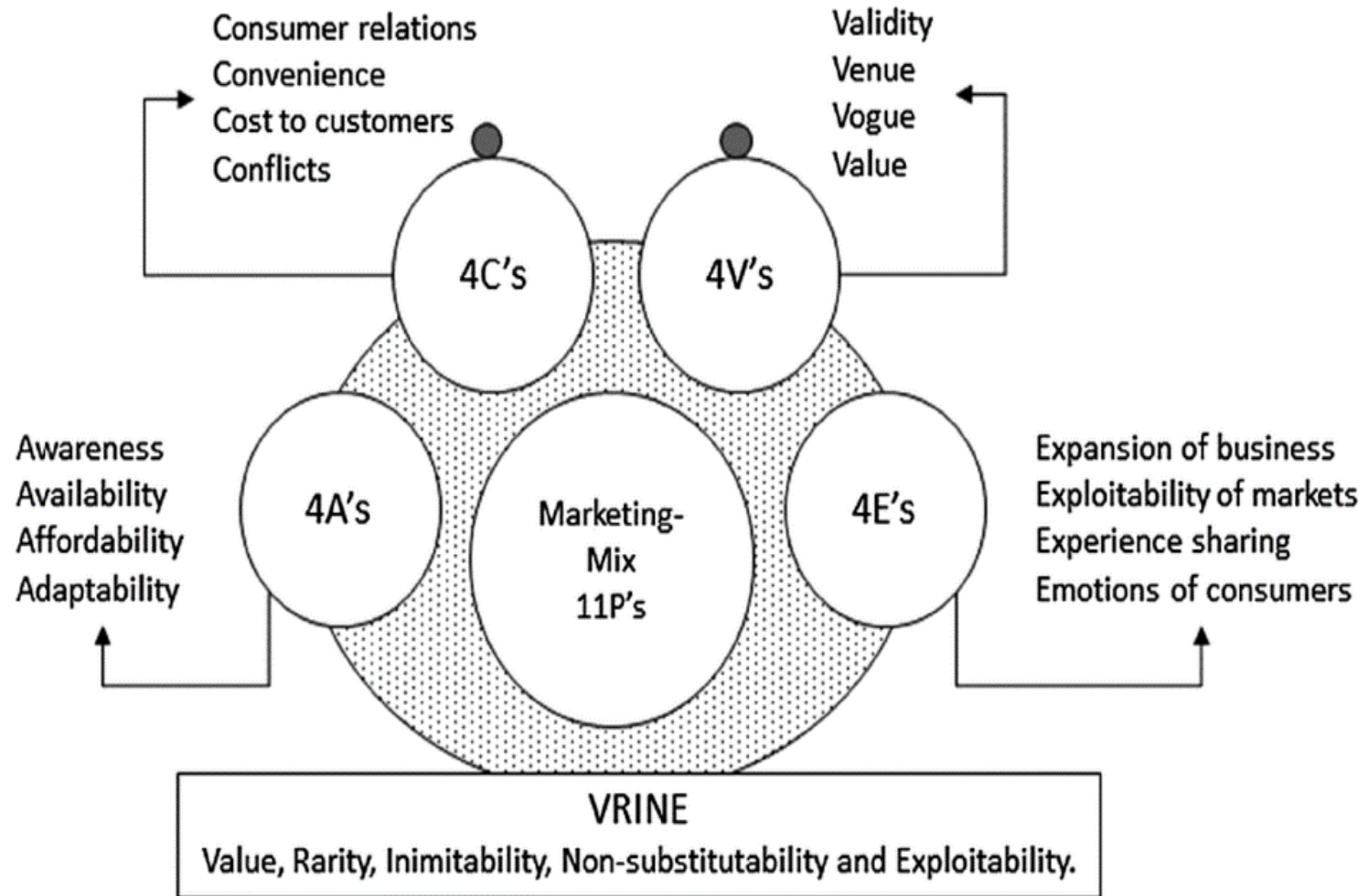
Figure 1. Antecedents and Consequences of Market Orientation



Marketing mix



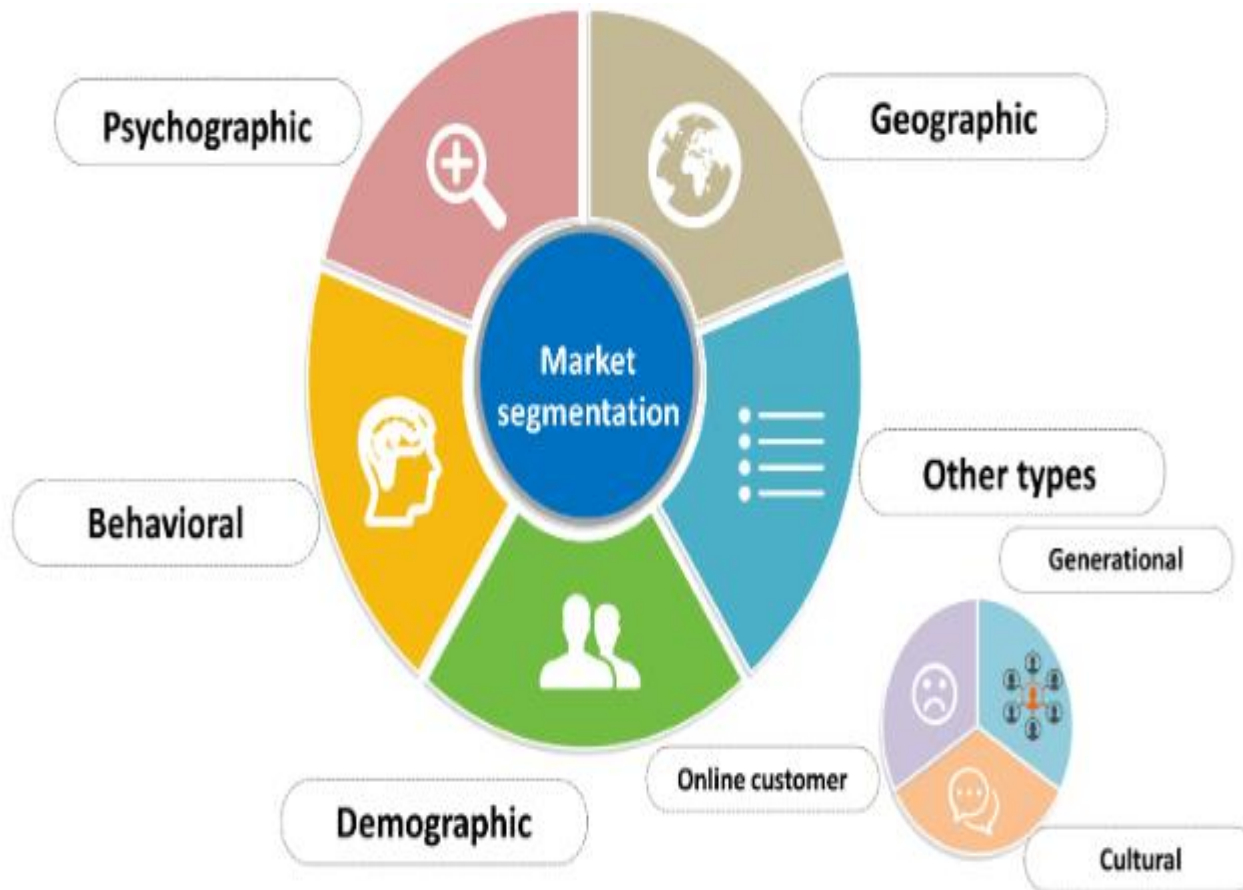
Marketing mix



- Market research
- Collection and analysis of reliable information for decision making

1	Customer Research
2	Advertising Research
3	Product Research
4	Distribution Research
5	Sales Research
6	Environment Research

Segmentation



Targeting



Positioning



Guerrilla Marketing



Word-of-mouth marketing

MOST EFFECTIVE form of **MARKETING**:



That's because **90%**
of customers say
buying decisions
are **influenced by**
others' reviews...



...but only **1/3 of**
businesses are
actively seeking
and **collecting**
customer reviews...



...even though WOM
generates **2x the sales**
versus paid ads with a
37% higher customer
retention rate

Buzz marketing



Viral marketing







SUCCESSFUL PRODUCT / SERVICE

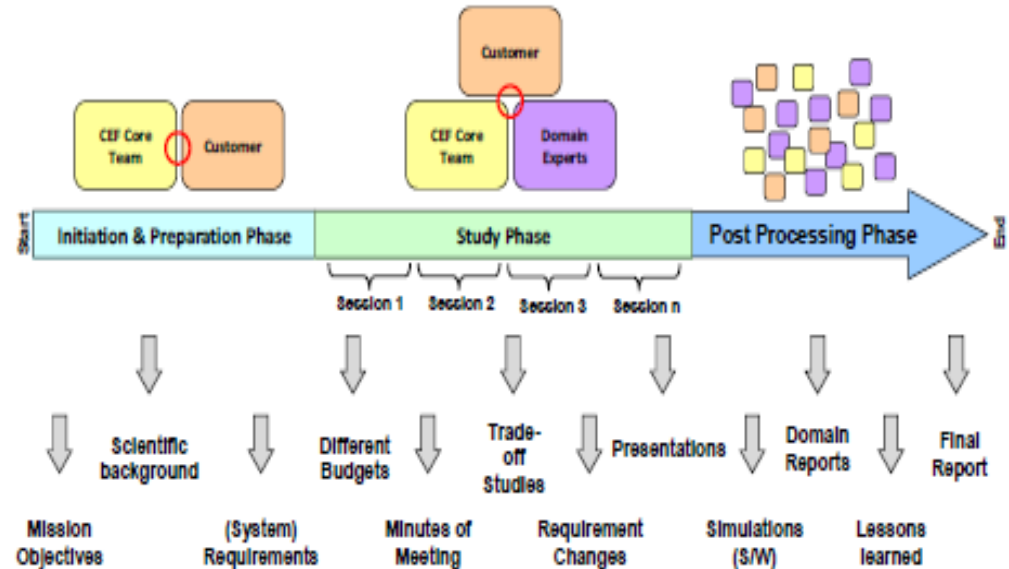


Figure 7: Concurrent Engineering process

A SUCCESSFUL PRODUCT IS A VALUE PACKAGE THAT SATISFIES THE PRIORITY NEEDS OF THE CUSTOMER / USER, AND THEN ALL THE INTEREST GROUPS RELATED TO THE PRODUCT / SERVICE CHAIN OF PRODUCTION AND SALES.

THE DESIGN OF A SUCCESSFUL PRODUCT IS BASED ON IMPLICATIONS ARISING FROM THE NATURE OF THE PRODUCT AND THE SET OF NEEDS THAT ARE TRYING TO BE SATISFIED IN ORDER TO REDUCE THE ASYMMETRY OF INFORMATION!

Tradicio
nalni
pristup

- ☐ sve ono što je moguće utržiti,
- ☐ korist za proizvođača,

Moderni
pristup

- ☐ vrijednost za kupca/korisnika,
- ☐ zadovoljavanje potreba kupca/korisnika,

Održivi
pristup

- ☐ način komunikacije i uspostave održive relacije između društva, potrošača i proizvođača

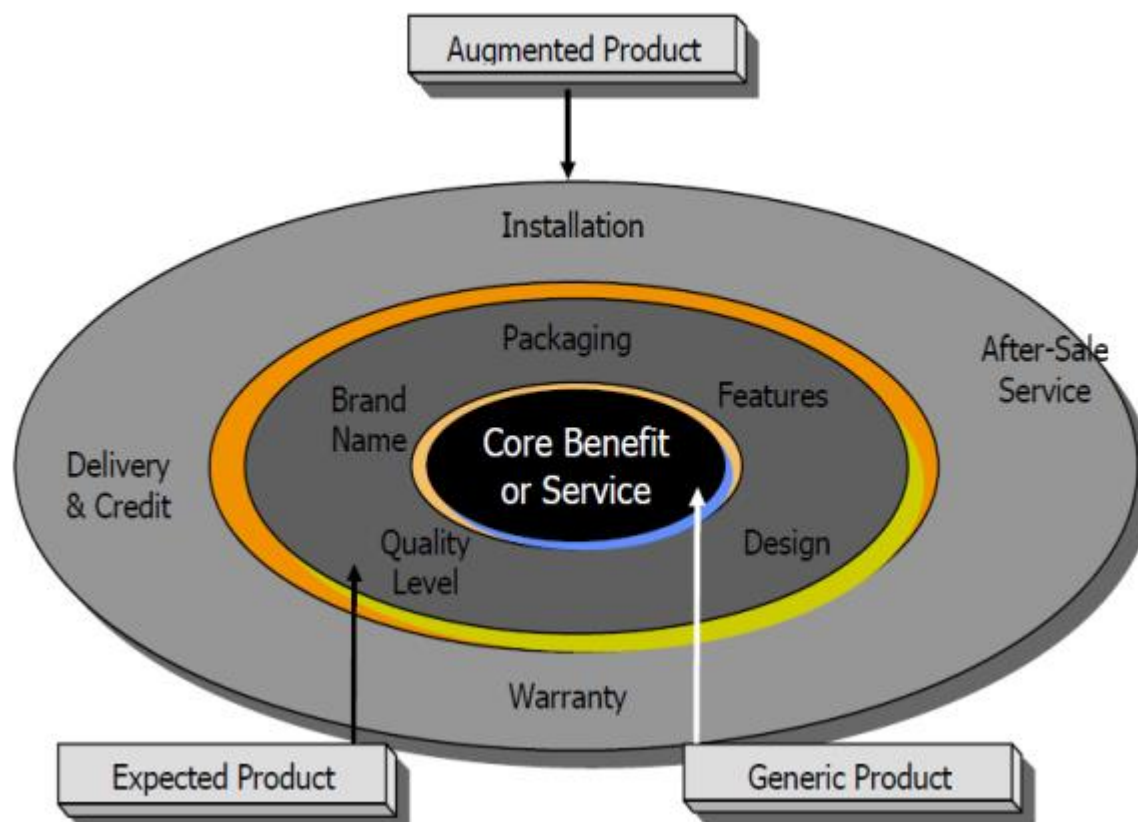
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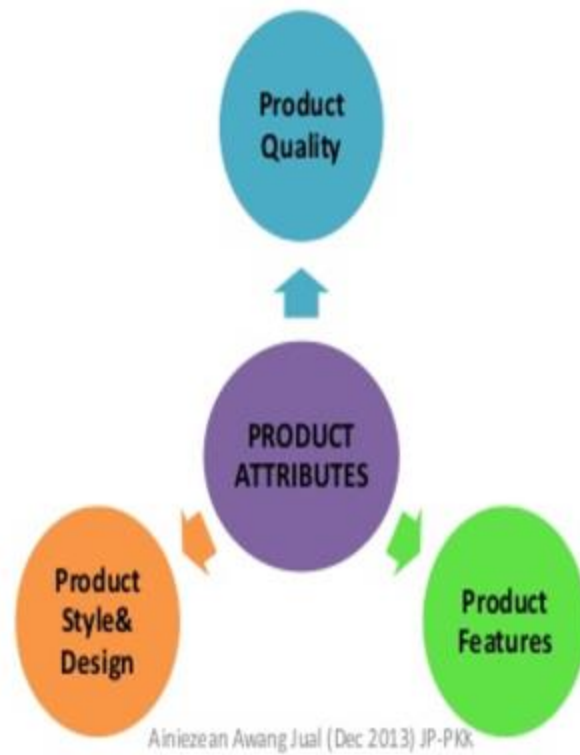


Grafikon: Analitički model kvaliteta hrane (preuzeto Peri et al. 2004)

Proizvod

Proizvod/usl
Paket se sastoji o
vrijednosti koje olakša
(kulturološke, c

What is a product / service?

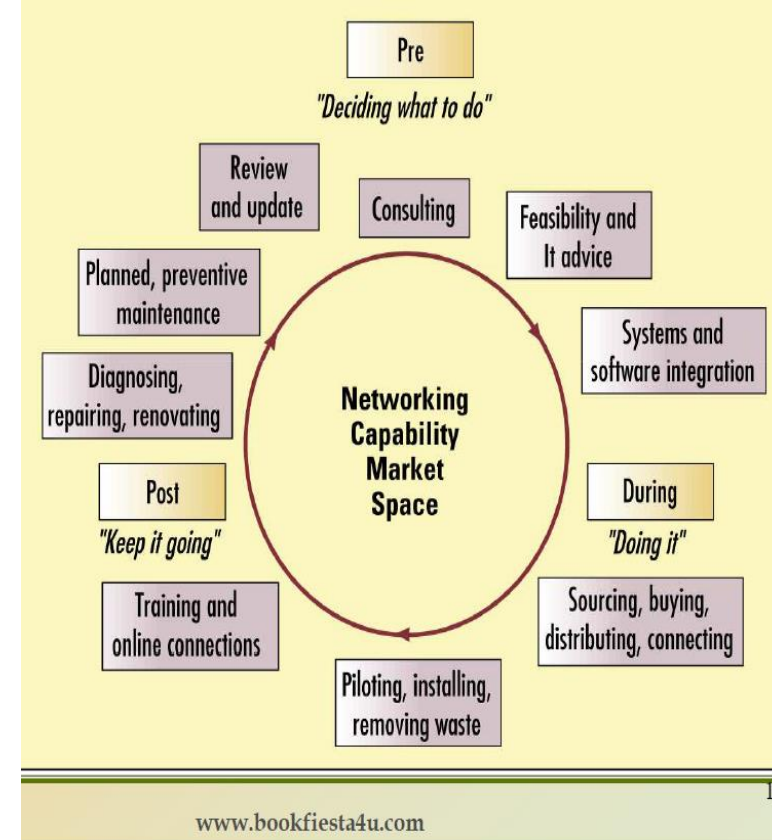


The nature of the product?

Thinking about a product begins with thinking about value to the customer

Through the management of marketing activities, it is necessary to expand this thinking and think about the business process - everything that the company does, everything that every individual in the company does - corporate culture

A well-communicated and customer-tailored corporate culture is the "foundation" for meeting all the higher needs and inspiration for building the values we build loyalty, "customer promoter", and willingness to pay a premium price



INSTEAD OF CONCLUSION

1. VALUE PACKAGE
1. NATURE OF THE PRODUCT
1. THE NATURE OF THE NEED WE WANT TO MEET

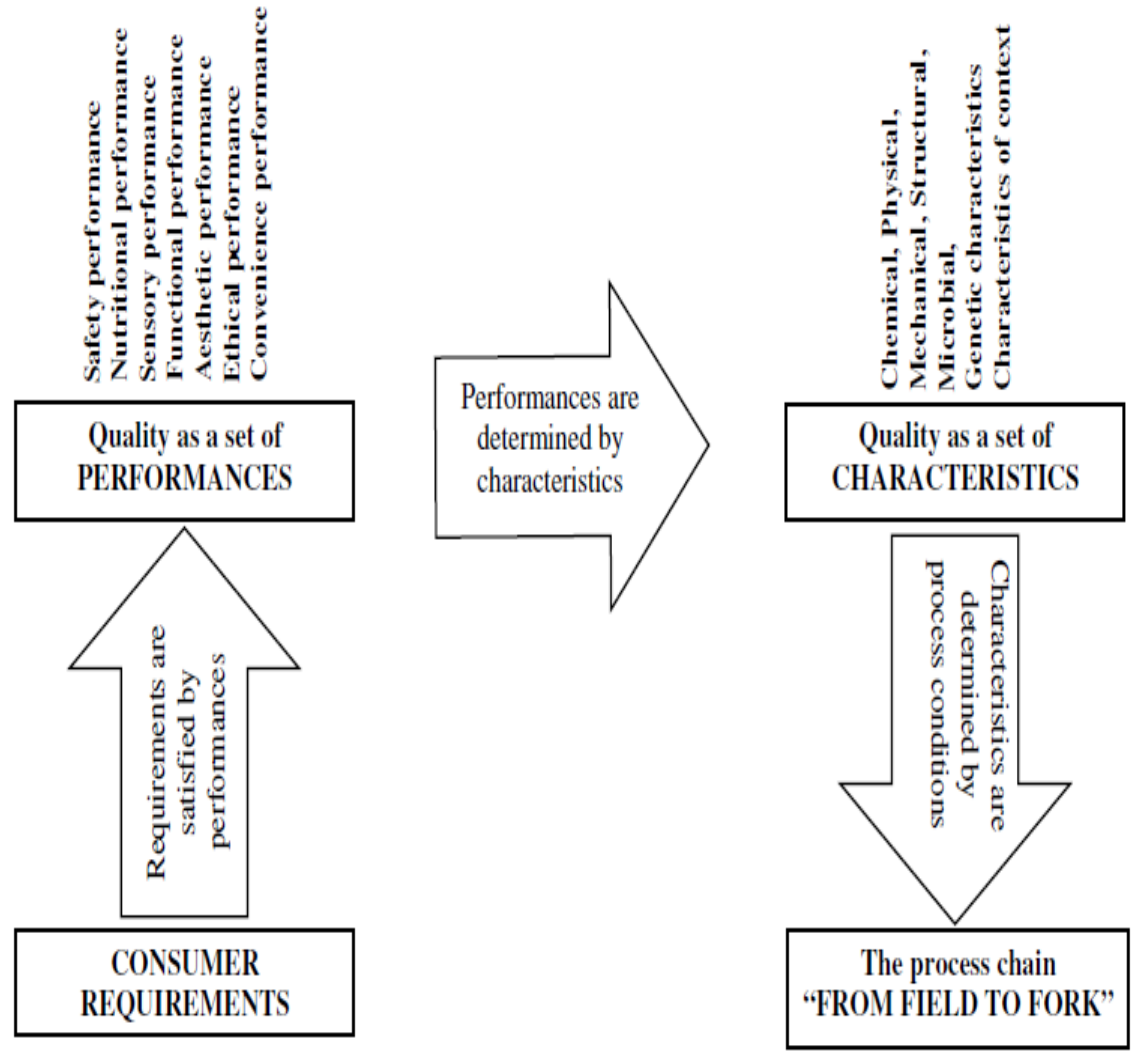


Fig. 3. A dynamic model of food quality.

MODERN BUSINESS POLICY

- “It Profit and profit maximization are irrelevant quantities. Profit is not an explanation, cause or ratio of business behavior and business decisions, it is primarily a test of their validity... ”Peter Drucker (2004)
- “... Profit is for business the same as breathing for life.
- Breathing is essential for living, but it is not its purpose.
- Likewise, profits are essential for a company to exist, but they are not the reason for its existence ... ”Dennis Bakke (AES)

MODERN BUSINESS POLICY

- A company creates value if:
- It offers products that are worth more to customers than they pay for
- If it provides opportunities for managers and workers to be more productive in their work than elsewhere
- If it provides higher (and / or safer) long-term profits to its owners
- If it creates a greater benefit to the environment in relation to the costs of its operation

MODERN BUSINESS POLICY

- External environment
- Stakeholders - customers, suppliers, competitors, owners, shareholders, creditors, partners, and various institutions and interest groups
- the assumptions of those interested in the enterprise and the actions they take or intend to take:
 - determine what are the supporting assumptions they can lead to
 - to appropriate strategic opportunities,
 - identify resisting assumptions that may result
 - the emergence of adverse strategic threats to the enterprise
 - assess the importance of assumptions and assess the probability of their realization

Entrepreneurship and urban demands

About the subject

- The importance of entrepreneurship
- Innovations modify the world
- The brief view on a real situation
- Interactive class
 - Students prepare and present their work
- Why?
 - **Because we would like you to acquire new and usable knowledge**

Your added value

- You will meet examples from real life
- You will form your own solutions for different tasks
- You will prepare presentations in pairs – teamwork
- You will pitch your work based on latest trends
- You can send your questions / ideas etc. whenever on a professors E-mails and receive feedback as soon as possible

Today

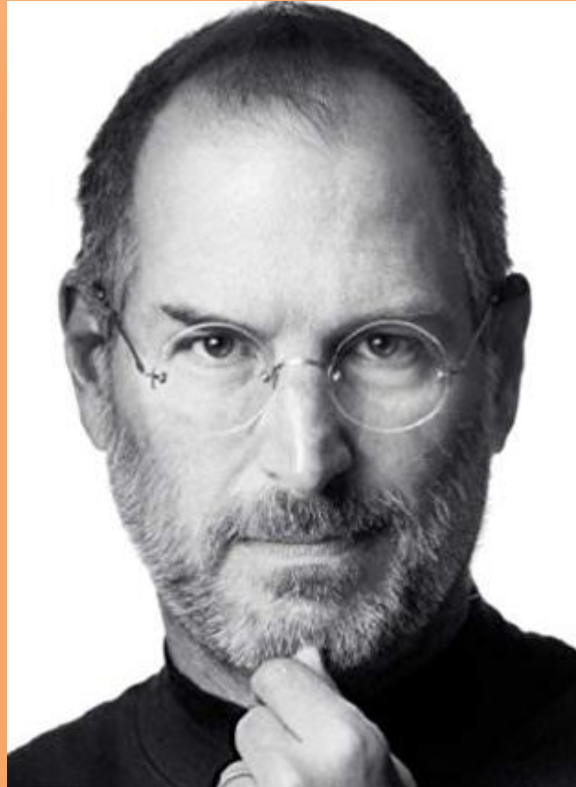
- About entrepreneurship
- About entrepreneur
- The entrepreneurial process
- Critical factors for starting a new business
- Evaluating opportunities

Your time

- Form groups of 3 students
- Talk about your expectations, plans, experiences...
- Presentations: in 1 minute briefly present your colleague from the group
 - Be innovative and interesting



Do you know these guys?



Steve Jobs





Igor Akrapovič





Mate Rimac

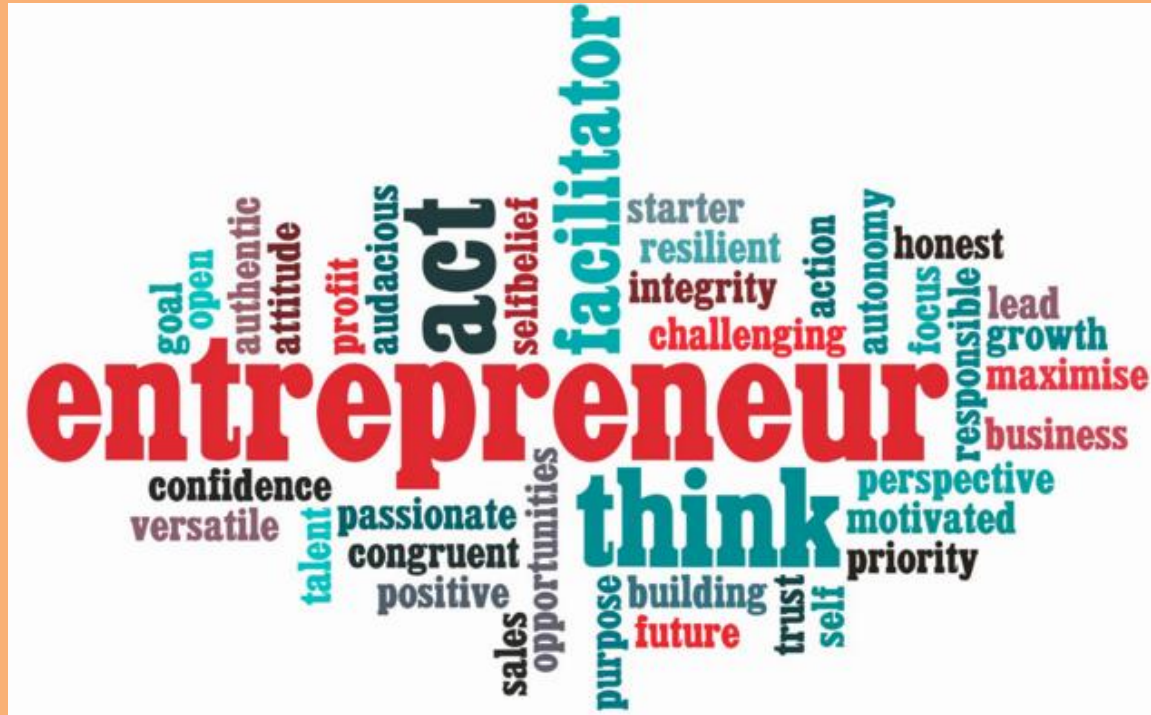




Mark Zuckerberg



Who is an entrepreneur?



Entrepreneur

- Influence directly on a company
- Successful entrepreneur – good results
- Entrepreneurs are innovative
- Freedom
- Vision
- Curious

The power of entrepreneur

- In 2010 more than 500 million people were engaged in entrepreneurship worldwide
- Entrepreneurs are revolutionists
 - transforming and renewing economies
- Example
 - Henry Ford and model T



WHAT IS ENTREPRENEURSHIP?



Entrepreneurship

- MSEs present 90 % of all enterprises
- MSEs - 60 % of GDP
- MSEs - 60 % of all jobs
- MSEs generate the majority of new working places

The changing economy

- Case: Wal-Mart, family owned business
- American multinational retail company
- Founded by Sam Walton in 1962
- Today:
 - 11,000 stores
 - 28 countries
 - 2,2 million employees in 2014
 - Sales/Revenue 2018 \$514,405B



Characteristics of a successful entrepreneur

- The 10 Ds

Dream	Entrepreneurs have a vision of what the future could be like for them and their businesses. And, more important, they have the ability to implement their dreams.
Decisiveness	They don't procrastinate. They make decisions swiftly. Their swiftness is a key factor in their success.
Doers	Once they decide on a course of action, they implement it as quickly as possible.
Determination	They implement their ventures with total commitment. They seldom give up, even when confronted by obstacles that seem insurmountable.
Dedication	They are totally dedicated to their businesses, sometimes at considerable cost to their relationships with friends and families. They work tirelessly. Twelve-hour days and seven-day workweeks are not uncommon when an entrepreneur is striving to get a business off the ground.
Devotion	Entrepreneurs love what they do. It is that love that sustains them when the going gets tough. And it is love of their product or service that makes them so effective at selling it.
Details	It is said that the devil resides in the details. That is never more true than in starting and growing a business. The entrepreneur must be on top of the critical details.
Destiny	They want to be in charge of their own destiny rather than dependent on an employer.
Dollars / Euros	Getting rich is not the prime motivator of entrepreneurs. Money is more a measure of success. Entrepreneurs assume that if they are successful they will be rewarded.
Distribute	Entrepreneurs distribute the ownership of their businesses with key employees who are critical to the success of the business.

The entrepreneurial process

- Functions
 - Activities
 - Actions
- Creating organizations

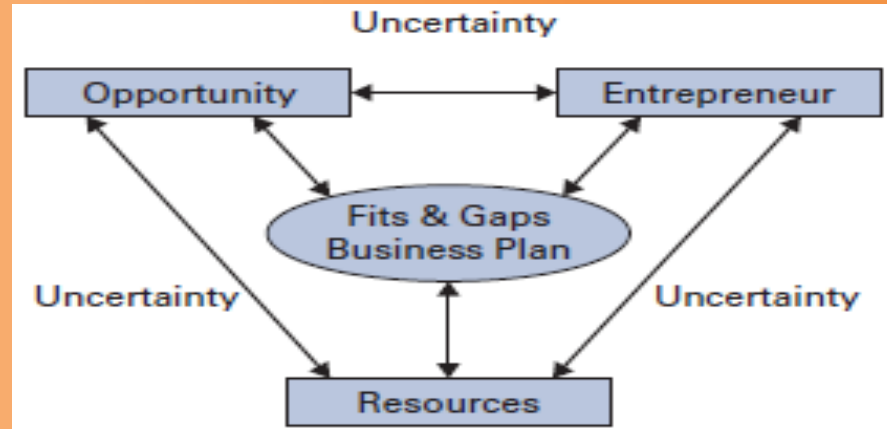


- Transformation is higher with higher education
- Entrepreneurship can be taught!

Evaluating opportunities for new businesses; case



- The opportunity – the need to manage data
- The customer – business and private users
- The timing – everybody waited for solutions



Ingredients for a successful new business

1. **Founders** - Every startup company must have a first-class entrepreneur.



2. Focused

Entrepreneurial companies focus on niche markets.
They specialize.



3. Fast

They make decisions quickly and implement them swiftly.



4. Flexible

They keep an open mind. They respond to change.



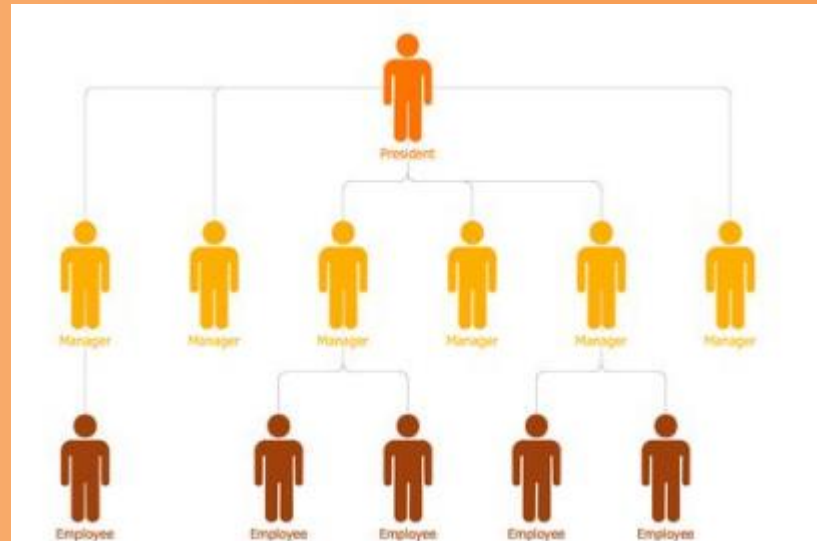
5. Forever-innovating

They are tireless innovators.



6. Flat

Entrepreneurial organizations have as few layers of management as possible.



7. Frugal

By keeping overhead low and productivity high, entrepreneurial companies keep costs down.



8. Friendly

Entrepreneurial companies are friendly to their customers, suppliers, and employees.



9. Fun

It's fun to be associated with an entrepreneurial company.



DEBATE



Thank you for your attention!

Wish you a nice day 😊

Entrepreneurship and urban demands

2. Lecture

Today

- Opportunity recognition
- Idea vs opportunity
- An entrepreneur
- Entrepreneurial determinants
- Success in business

HOW TO FIND BUSINESS IDEAS?



What to do?

- Think long-term
- It takes a tremendous amount of time and energy – no passion, no success
- Find your passion:
 - What do you like to do
 - What is your hobby
 - What is your sport
- Case Koenigsegg – Christian von Koenigsegg
 - Passionate about cars, 1994 founded company, 2006 first series production
 - Car of the year, speed-record, sport car of the year...



Idea multiplication

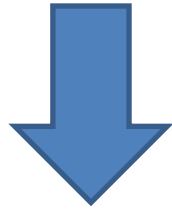
- First is a seed of an idea
- Second brainstorming your idea with your colleagues
- **Idea multiplication**
 - Gather stimuli
 - Multiply stimuli
 - Create customer concepts
 - Optimize practicality



BUSINESS OPPORTUNITY

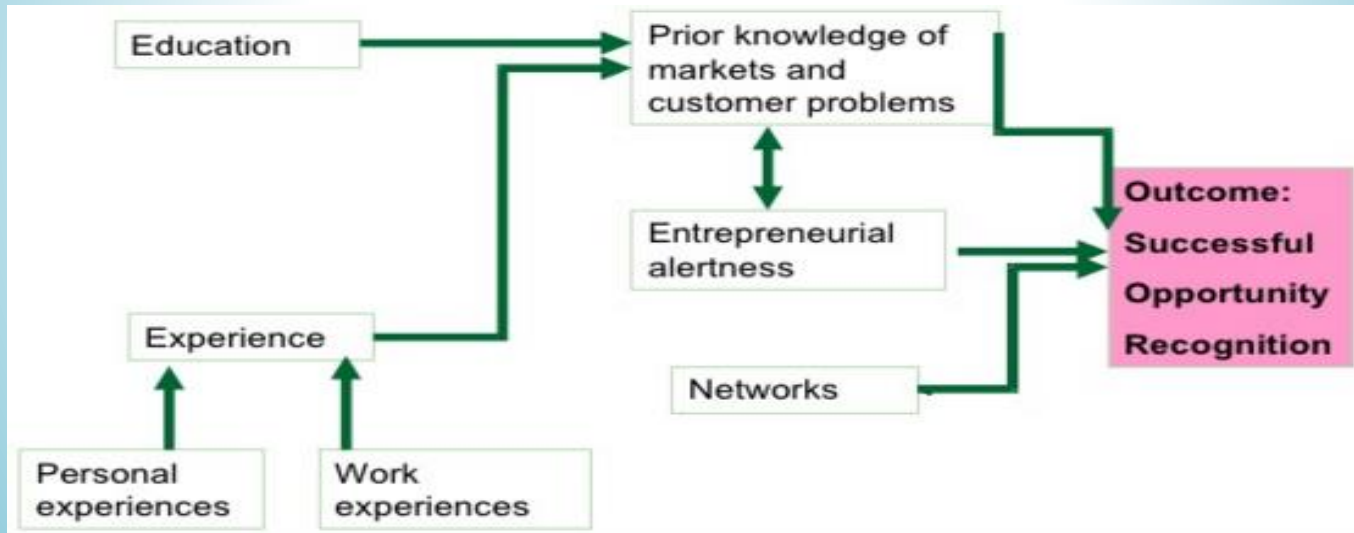
= VALIDATED BUSINESS IDEA

= BUSINESS IDEA + CUSTOMERS



Opportunity recognition

- Entrepreneurship is all about opportunity



Is your idea an opportunity?

- Important to know about:
- (1) customers
- (2) competitors
- (3) suppliers and vendors
- (4) the government
- (5) the broader global environment



The opportunity checklist

Customer	identifiable, demographics, psychographics
Trends	macro market, target market, window of opportunity, market structure
Market size	how many, demand
Market growth	rate
Price/Frequency/Value	price, frequency, value, operating expenses, net income margin, volume
Distribution	where are you in the value chain?
Competition	market structure, number of direct and indirect competitors, number of substitutes, stealth competitors, strength of competitors
Key success factors	relative position
Vendors	relative power, gross margins they control in the value chain
Government	regulation, taxes
Global environment	customers, competition, vendors

goal open authentic attitude profit audacious **act** self-belief **facilitator** starter resilient integrity challenging action autonomy honest focus responsible lead growth maximise business perspective motivated priority confidence versatile talent passionate congruent positive opportunities sales purpose building future trust self

What You Need to Become an Entrepreneur



Qualities like passion, tenacity, vision, and self-confidence



A great idea that people will pay money for



A plan of success



Consistent execution of the plan



Entrepreneur - definitions

Year, author	Definition of an entrepreneur
1734; Richard Cantillon	Non-fixed income earners who pay known costs of production but earn uncertain incomes.
1803; Jean-Baptiste Say	An economic agent who unites all means of production. He shifts economic resources out of an area of lower and into an area of higher productivity and greater yield.
1934; Joseph Schumpeter	Innovator who use a process of shattering the status quo of the existing products and services, to set up new products and services.
1964; Peter F. Drucker	Searches for a change, respond to it and exploits opportunities.
1975; H. H. Stevenson	The pursuit of opportunity without regard to resources currently controlled.
1975; Albert Shapero	Take initiative, accept risk of failure and have an internal locus of control.
2013; Ronald May	Someone who commercializes his or her innovation.

What is common for them





- Innovation
- Searching for opportunities
- Risk taking
- New products, services
- Always with open eyes / ears

Red Thread and business?

- Richard Branson



Determinants that affect entrepreneurs

- Curiosity



Creativity



Innvoativeness



Passion



Others

- Which are other determinants that influence entrepreneurs?



Functions in the enterprise

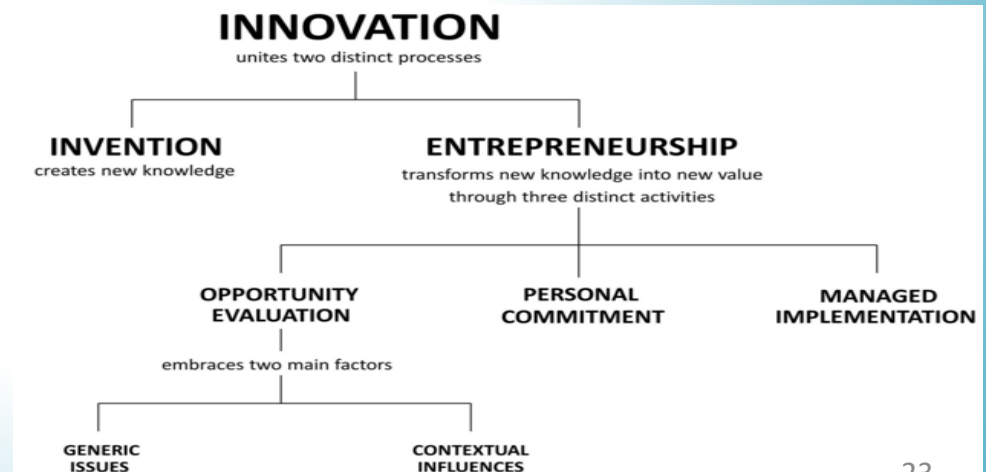


LIFE IS:
WHAT HAPPENS ○
TO ME
WHAT I MAKE ●
HAPPEN



Innovations and entrepreneurship

- Innovation is the specific instrument of entrepreneurship
- Innovation creates a resource
 - economic value
- Innovation is the key to a growth



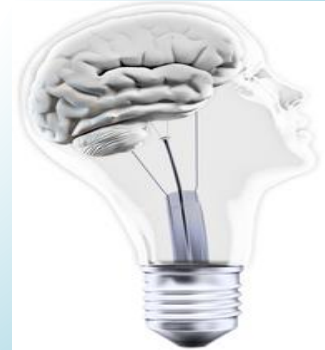
Innovation from point 0 – case



- 3 entrepreneurs , early employed at PayPal
- In 2005 Hurley and Chen developed the idea
 - They wanted to share videos among friends
- Began as a venture-funded technology startup, from a \$11.5 million investment
 - July 2006 cca 65,000 uploads per day
 - In 2018 800 hours of videos were uploaded every minute
- In October 2006 the company was sold to Google for \$ 1.65B
- In June 2015 the most visited website ww
 - more than 15 billion visitors per month
- Social impact, pop stars (Justin Beaver), marketing...

Why is important to innovate?

- The organization that does not innovate declines
 - Competition innovate
- New innovative products/services increase company value
- Successful companies invest resources to R&D
- New products/services represent an increasing share of sales incomes
- Image
- Long term orientation



Case General Electric

- Multinational conglomerate from 1892
 - Appliances, power and water, oil and gas, Aviation, Energy management, transportation...
- CEO Jack Welch (1981 – 2001)
 - Very good results in his time
 - Entrepreneurial thinking; you must know your company
 - Innovating; new products and services – improvement, politics, new motivational practices, ...
 - Increased market value from \$12 billion in 1981 to \$280 billion in 2001
 - Making 600 acquisitions while shifting into emerging markets
 - Some innovations
 - 1983: Signa Magnetic Resonance Imaging system (MRI)
 - 2002: Popularization of wind turbines
 - 2003: Fuel-efficient Evolution Series locomotive engine
 - 2007: First 24 cylinder internal combustion engine



The path to the product / service

- **Inventor:** creates new technology, product or service
 - Often not ready for market
- **Innovator:** transforms new or existing technology, product, service, business model, customer experience
 - Ready for market
- **Entrepreneur:** recognizes and seizes opportunity, takes risk, takes action, create, develop business
 - Launch on market

Innovativeness in the enterprise

- SMe
- Entrepreneurship is being practiced also by large and often old enterprises
- Innovativeness is to introduce changes into business to achieve strategic advantage
 - New products or services
 - Enter new markets
 - Enter new markets with new products or services

Growth and success - Case McDonalds

- Net income of Corporation worldwide in 2018 **\$5.924B**,
- In the same year McDonalds had 37,855 restaurants ww
- The beginnings:
 - No new product but innovation on market
 - Management concepts and management techniques
 - Issue „What is the value to the customer“
 - Standardization
 - Training
 - Franchise
 - New market – new costumer - entrepreneurship



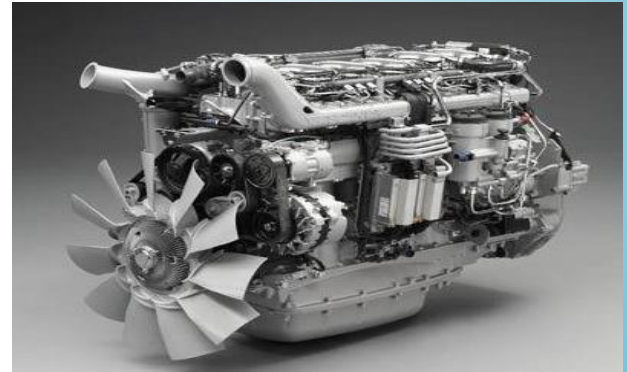
Case IBM

- International Business Machines Corporation (1911)
- In 2018 they had 350,600 employees
- In 2018 \$ 79.591 B
- History and unexpected success
 - In 1930s almost went under
 - Bad decisions, no money
 - Coincidentally make an agreement with New York public library (government money)
 - They solved financial problems
 - Then they start to produce one of the first computers



The bright idea

- 70, 80 % of all patents
- Majority of all entrepreneurial successes
- The most important innovations
 - The internal combustion engine
 - The telephone / mobile phone
 - The light bulb
 - Penicillin
 - Contraceptives
 - The computer & The Internet



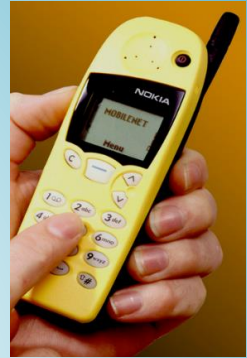
The telephone



- **1667:** Robert Hooke invented a string telephone that conveyed sounds over an extended wire by mechanical vibrations
- **1844:** Innocenzo Manzetti first mooted the idea of a "speaking telegraph" (telephone)
- **1854:** Antonio Meucci demonstrates an electric voice-operated device
- **1861:** Philip Reis constructs the first speech-transmitting telephone
- **1875:** Bell's U.S. Patent 161,739 "Transmitters and Receivers for Electric Telegraphs" is granted
- **1877:** The first commercial telephone company enters telephone business in Germany

The Mobile phone

- **1926:** The first mobile telephony service
- **1946:** The first calls were made on a car
- **1956:** The first automated mobile phone system
- **1969:** NMT Group was established.
- **1973:** the first public mobile phone
- **1987:** The Technical specifications for the GSM standard are approved.
- **1992:** The world's first ever SMS
- **1996/97:** UK - 16% of households had mobile phones
- **1998:** The first downloadable content (the ringtone)
- **1999:** Emojis
- **2007:** The iPhone debuted



Any questions?

Thank you for your attention!

Entrepreneurship and urban demands

3. Lecture

Today

- Starting a New Business
- Vision, mission
- Pillars of Innovation
- Types of New Businesses
- The Eight Pillars of Innovation

How to start a new business

- Case Akrapovič



Context

Think about things, improvements that are important to you



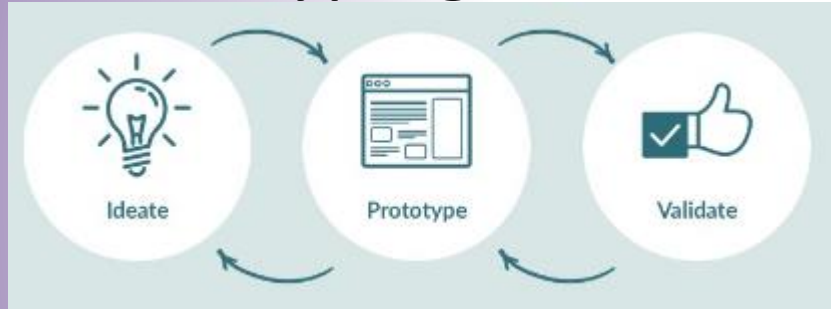
Innovation vs problem

- Find solutions for your problems
- Igor was not satisfied with his motorbike
 - motorbike was not optimized
- How to improve it?
 - Exhaust system



Finding solutions

- Prototyping



Reality check

- Does the market consume your innovations?
- Can you grow?
- Can you generate profit?



VISION

- Define your goals
- What do you believe
- Are you ready to work?



What is your vision?

- Where will you be in 5 years?
- Think about
 - 5 min
- Present your vision



Starting a New Business

- What kind of a **business opportunity** do you have
- Can you open your **own company**
- Do you have a **family business**
 - Family tradition, market, partners
- Is it possible to **buy a company**
 - Market, partners, know how



Types of New Businesses



E-business

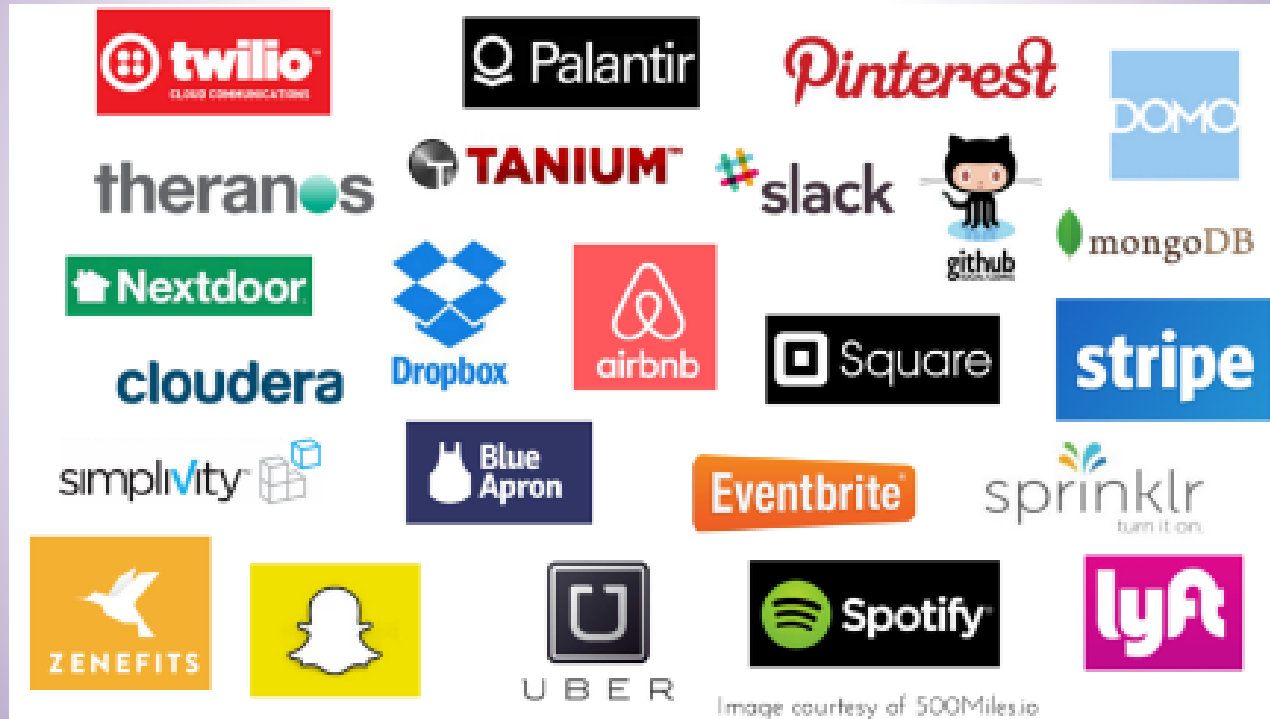


Home-based business

- Home Goods, Décor, and Candles
- Food, Tea, and Wine
- Health and Wellness
- Personal Care and Makeup



Start up



Family business

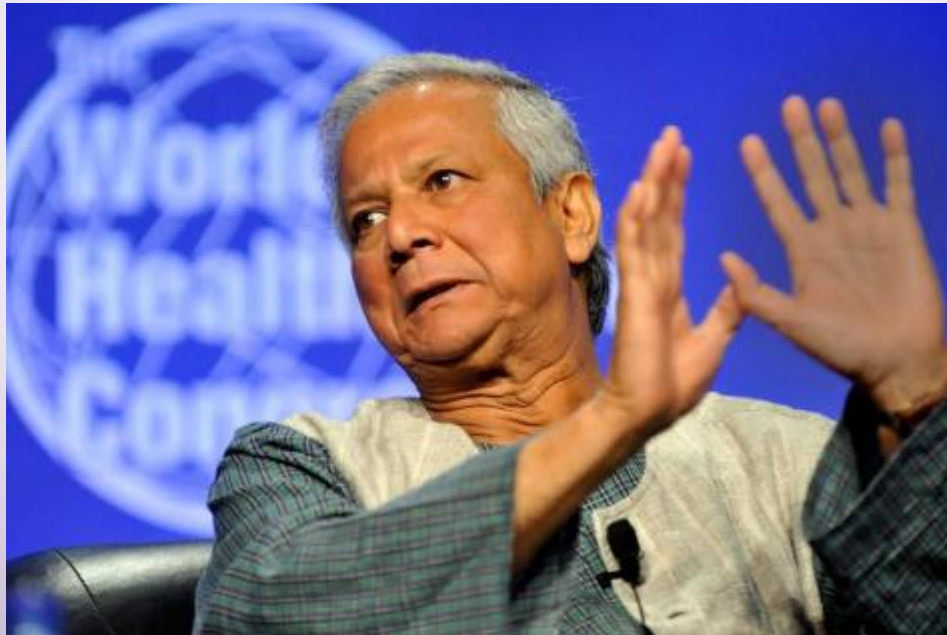
Rank ▲	Company name ▲	Family owner(s) ▲	Founded ▲	Listing status ▲	Country ▲
1	Walmart Inc.	Walton	1945	Public	USA
2	Volkswagen AG	Porsche and Piech	1937	Public	Germany
3	Berkshire Hathaway Inc.	Buffett	1955	Public	USA
4	Exor NV	Agnelli	1899	Public	Netherlands
5	Ford Motor Company	Ford	1903	Public	USA
6	Schwarz Gruppe	Schwarz	1930	Private	Germany
7	BMW AG	Quandt and Klatten	1916	Public	Germany
8	Cargill, Incorporated	Cargill and MacMillan	1865	Private	USA
9	Tata Sons Ltd	Tata	1868	Private	India
10	Koch Industries, Inc.	Koch	1940	Private	USA
11	Comcast Corporation	Roberts	1963	Public	USA
12	Pacific Construction Group Company Ltd	Yan	1995	Private	China
13	Dell Technologies Inc.	Dell	1984	Public	USA
14	Aldi Group	Albrecht	1913	Private	Germany
15	Amer International Group Company Ltd	Wang Wenying	1994	Private	China
16	ArcelorMittal	Mittal	1976	Public	Luxembourg
17	Auchan Holding SA	Mulliez	1961	Private	France
18	Gunvor Group Ltd	Törnqvist	1997	Private	Switzerland
19	Reliance Industries Ltd	Ambani	1966	Public	India
20	LG Electronics Inc.	Koo	1947	Public	South Korea

Women entrepreneurship



Social entrepreneurship

- The Financier: Grameen Bank



Intrapreneurship

Entrepreneurship

*Entrepreneurial activity by
Entrepreneur*

Rewards go to Entrepreneur

Risk taken by Entrepreneur

Intrapreneurship

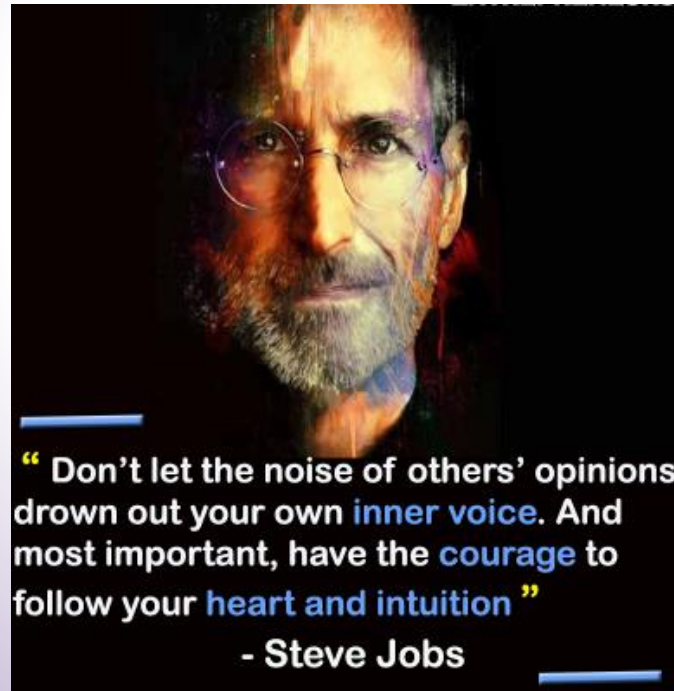
*Entrepreneurial activity by
employees and managers*

*Rewards (most) go to
company*

Risk taken by company

Evaluation of potential of start-ups

- Entrepreneurs are fascinated with quotes.



Donald Trump

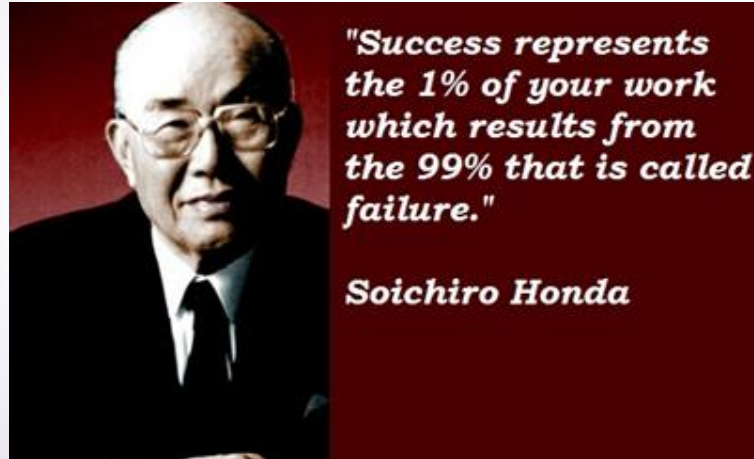


Watch, listen and learn. You can't know it all yourself. Anyone who thinks they do is destined for mediocrity.

— Donald Trump —

AZ QUOTES

Soichiro Honda



Oprah

“The reason I've
been able to be so
financially successful
is **my focus has never,**
ever for one minute
been money.”

- Oprah



Larry Page

“ I know it sounds completely crazy, but since no one is crazy enough to do it, you'll have little competition. ”

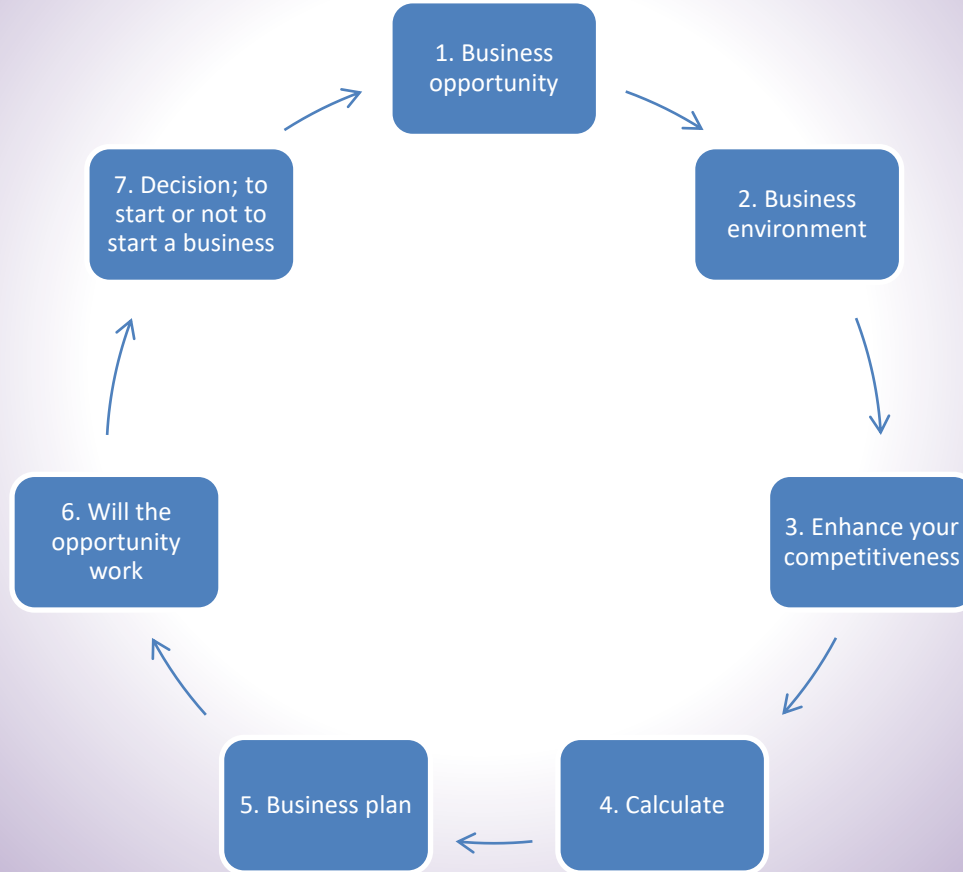
Larry Page
GOOGLE CEO



Amancio Ortega

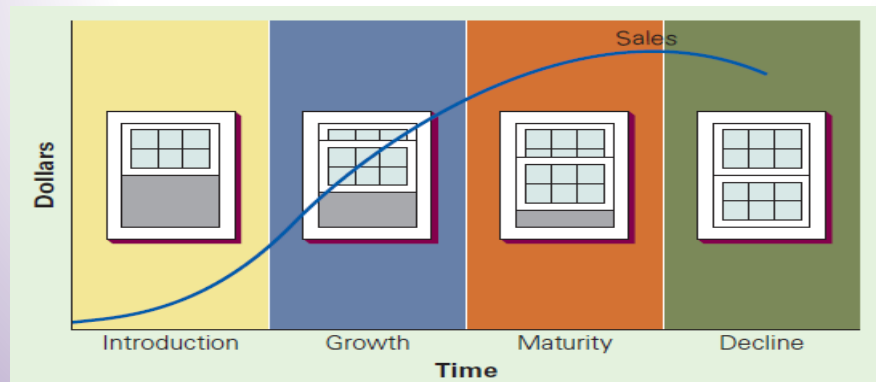


Evaluation of your business opportunity

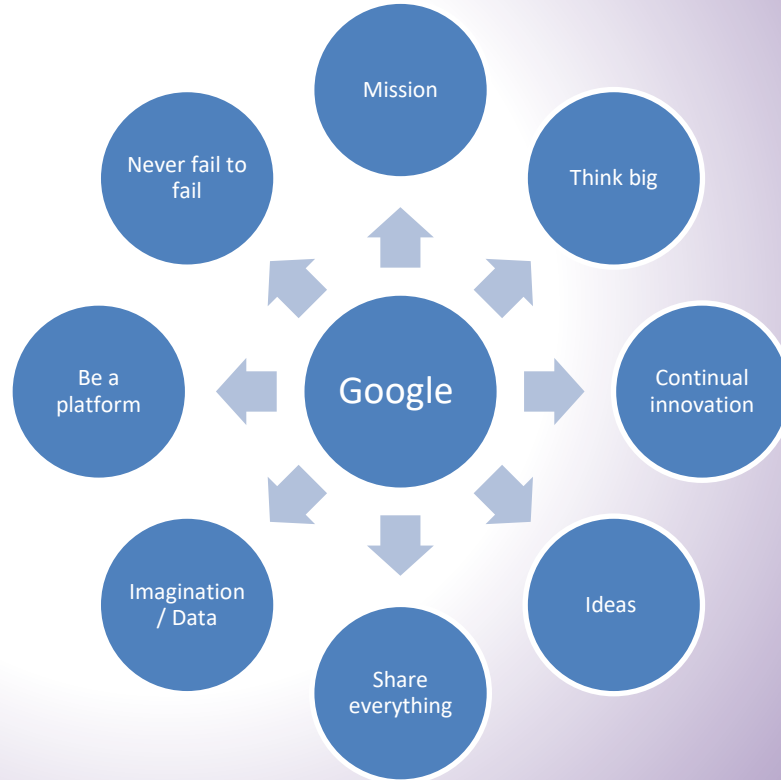


Product life cycle

- **Window of opportunity** is a period of time in which an opportunity is available.
- **Product life cycle** - stages that products in a marketplace pass through over time.

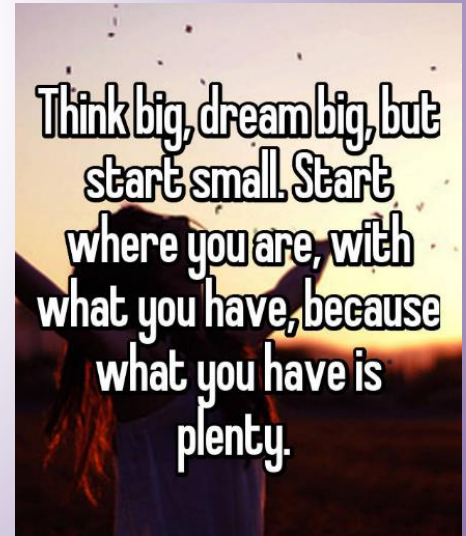


The Eight Pillars of Innovation



Think big but start small

- You have to start somewhere
- Improve your processes significantly and not just a little
- Google books
 - Larry Page had an idea to brought books online
 - People thought it was too crazy even to try
 - He bought a scanner and began scanning pages
 - Today, Book Search index contains over 10M books



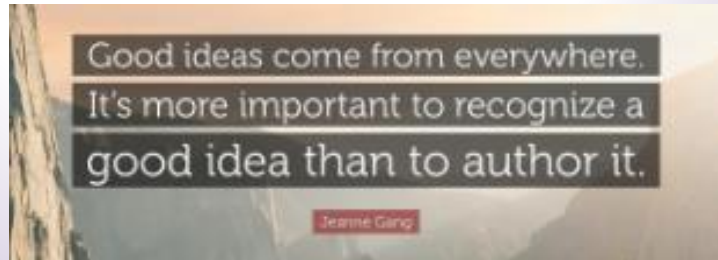
Strive for continual innovation, not instant perfection

- Always think about improvements
- There are no perfect solutions on a short term
- Use positive elements of a product / service
- Eliminate negative ones
- AdWords
 - Released in 1999 – wasn't successful
 - Continuous innovating and reached the model
 - AdWords is still improving
 - they test every year tens of thousands of search and ads quality experiments



Look for ideas everywhere

- Ask everybody for their ideas; your partners, advertisers and all of the people on your team
- Use a table and encourage people to share their minds
- Offer rewards for most innovative individuals
 - Money, car in use, holidays, days off, gifts,...
- “There are seven billion people ... the smartest people will always be outside Google. By defaulting to open, we’re tapping into the creativity outside of Google.”



Share everything

- Don't hide information to coworkers
- Share knowledge and data in periodic letters, news, meetings etc.
 - Encourage the discussion
 - Exchange and re-interpretation of ideas
 - It can lead to unexpected and innovative outcomes
- Stimulate social gathering between workers from different sectors
 - They can come to totally new ideas, solutions



Spark with imagination, fuel with data

- Recruit people who believe the impossible can become a reality – believers
- Bet on technical insights
- Google's self-driving cars
 - Science fiction?
 - Millions traffic deaths are caused a year by human error
 - Google was able to tie together various information assets into a new, innovative project
 - Google Maps, artificial intelligence technology, Street View etc.

Be a platform

- Don't be afraid to show your knowhow when it could be plus for you
 - When it's advantage be careful
 - You will receive ideas and new customers
- Google Earth
 - Allows developers to build 'layers' and share them with the world
 - One user created a layer that uses animations of real-time sensor data to illustrate what might happen if sea levels rose from one to 100 meters
- Android
 - 500 + devices on the market built on the Android OS,
 - Independent developers made most of the 500,000 apps



Never fail to fail

- People remember your hits more than your misses
- It's okay to fail as long as you learn from your mistakes and correct them fast
- Google Answers
 - Let users post questions and pay an expert for the answer)was retired after four years
 - It was a failure bit they learn a lot

Questions



Thank you for your attention!

Entrepreneurship and urban demands

4. Lecture



COURSE SCHEDULE

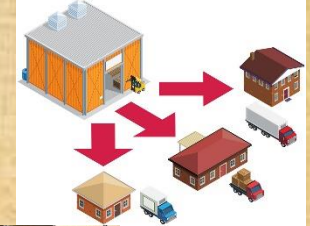
- Starting a new business
- Evaluation of potential of start-ups
- Entrepreneurial marketing

Starting a New Business



Questions

- What kind of a **business opportunity** do you have
- Can you open your **own company**
- Do you have a **family business**
 - Family tradition, market, partners
- Is it possible to **buy a company**
 - Market, partners, know how



Evaluation of your business opportunity



Window of opportunity

- Is a period of time in which an opportunity is available.
- Window of opportunity is open
 - Market entry
- Window of opportunity is closed
 - Wait or choose different product / service



Window of Opportunity

by Anna Vital

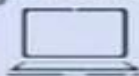
Best Times In Life To Start a Business



just lost everything

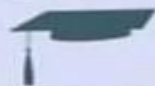
great, now you have
nothing to lose,
so risk big

just got a laptop



perfect, you got the
equipment to start

just graduated



now it's time to
use what you know

just got depressed



now you know what
rock bottom feels like,
it won't get any worse

just moved



now that you are in
a better place, do
better things

just got a kid



now you have someone
to be an example for

just died



sorry, the window
just missed you

just married



congrats, you got
yourself a co-founder

just found a job



learn what you
need and leave

**just failed
a business**



super, now you know
how to not do it

just livin' the life



when things are going well,
it's easier to start

just got sick

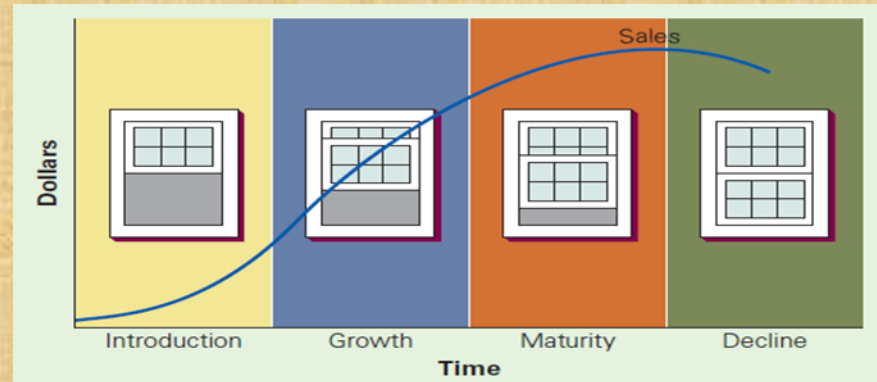


now that you are comfortably in
bed you can think up a plan

Funders and Founders

Product life cycle

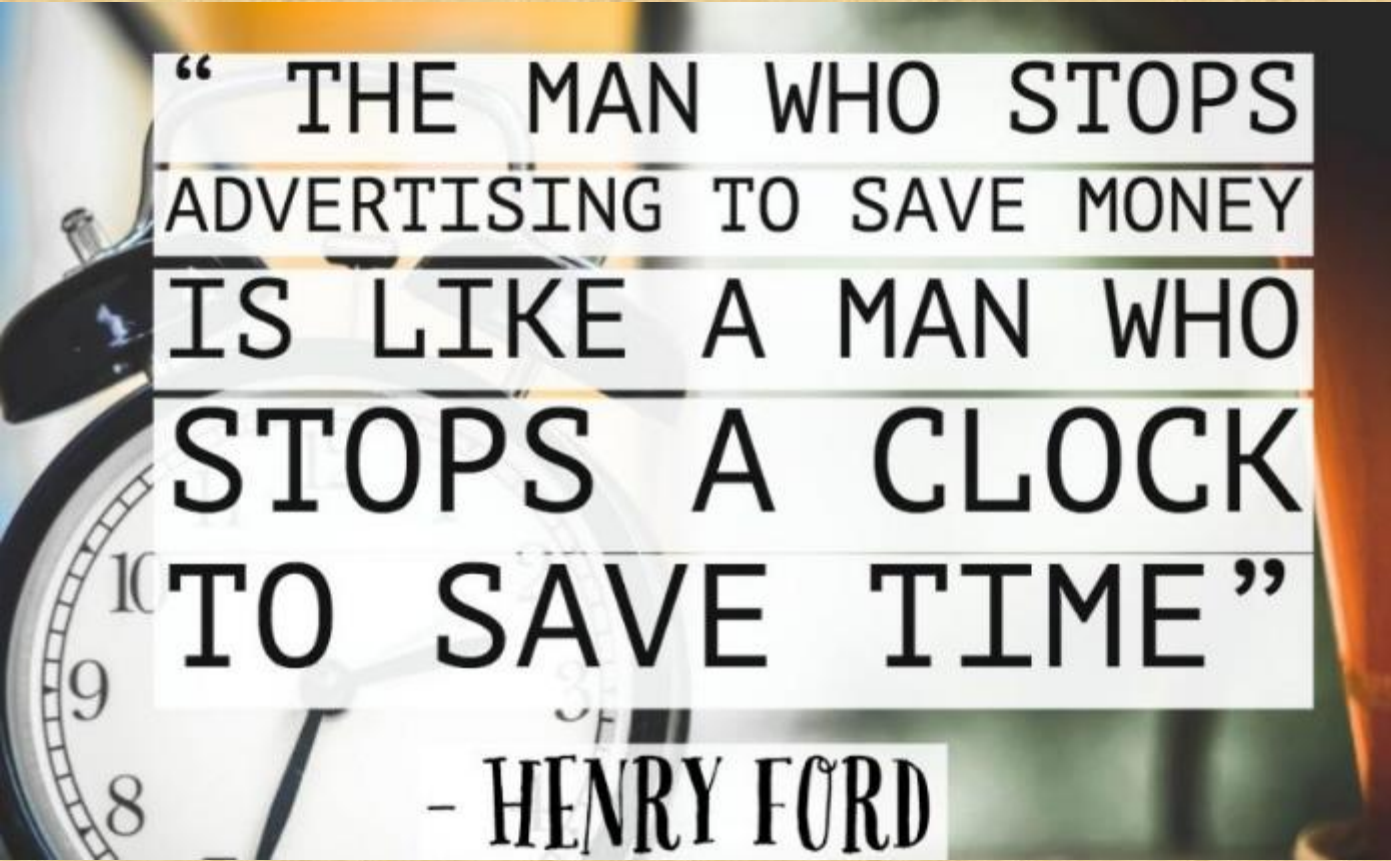
- Stages that products in a marketplace pass through over time.



How Will You Compete?

- **Operational excellence**: creates a competitive advantage by holding down costs to provide customers with the lowest-priced products.
- **Product leaders**: a business that creates a competitive advantage based on providing the highest-quality products possible.
- **Customer intimacy**: maintaining a long-term relationship with customers through superior service that results in a competitive advantage.





“ THE MAN WHO STOPS
ADVERTISING TO SAVE MONEY
IS LIKE A MAN WHO
STOPS A CLOCK
TO SAVE TIME ”

- HENRY FORD

Entrepreneurial marketing

- Marketing is at the **heart of an organization**
- *An organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (USA Marketing Association)*

How to do marketing

- Know your **target market**
- **Select and optimize** the marketing medium that best fit your unique challenges
- **Measure** results
- **Plan** next campaigns based on your data

Marketing
WITHOUT DATA
is like driving with your
EYES CLOSED.

.....
Dan Zarrella

Advertising Medium

- Television
- Radio
- Print (Newspapers and Magazines)
- Mail (flyers, circulars, coupon)
- Websites/Internet
- Social media
- Signs and Billboards



TV

- Set Goals
 - identify the goals you want to achieve
- Go Local
 - Choose the programs that appeal to your target market
- Encourage Action
 - strong call for action
- Direct Response
 - call to action: telephone, mail, chat, social media....



Radio

- Your niche market + listening demographic
 - Discover way to target your key audience
- Personify your brand
 - a mental image of your brand based on your voice, attitude, and message
- Radio is the best reach
 - immediate distribution without any additional effort on your part
- Connect with your customers
 - promote your business to those ready to spend



printing

business cards, brochures, folders, posters, envelopes, event tickets, calendars, booklets, stickers, signs, menus, flyers, table tents, labels, catalogs, hang tags, notepads, cards, sales sheets, rack, magnets, grating cards, door hangers, post cards, news letters, counter cards, gift certificates, letter heads, canvas prints

Print material

- Personalization
 - Use messages on a personal level
- Reach
 - EDDM (every door direct mail)
- Longevity
 - Always present
- Emotional impact
 - Physical material is more real



www, internet



Social media



Signs and billboards

- Huge attention-getting
 - a small business owner with maximum exposure
- Almost immediate increase in sales
- Geographically targeted marketing
- Deliver a low cost per impression



Acquiring Market Information

- **Marketing research**

- The collection and analysis of any reliable information that improves managerial decisions

1	Customer Research
2	Advertising Research
3	Product Research
4	Distribution Research
5	Sales Research
6	Environment Research

Questions

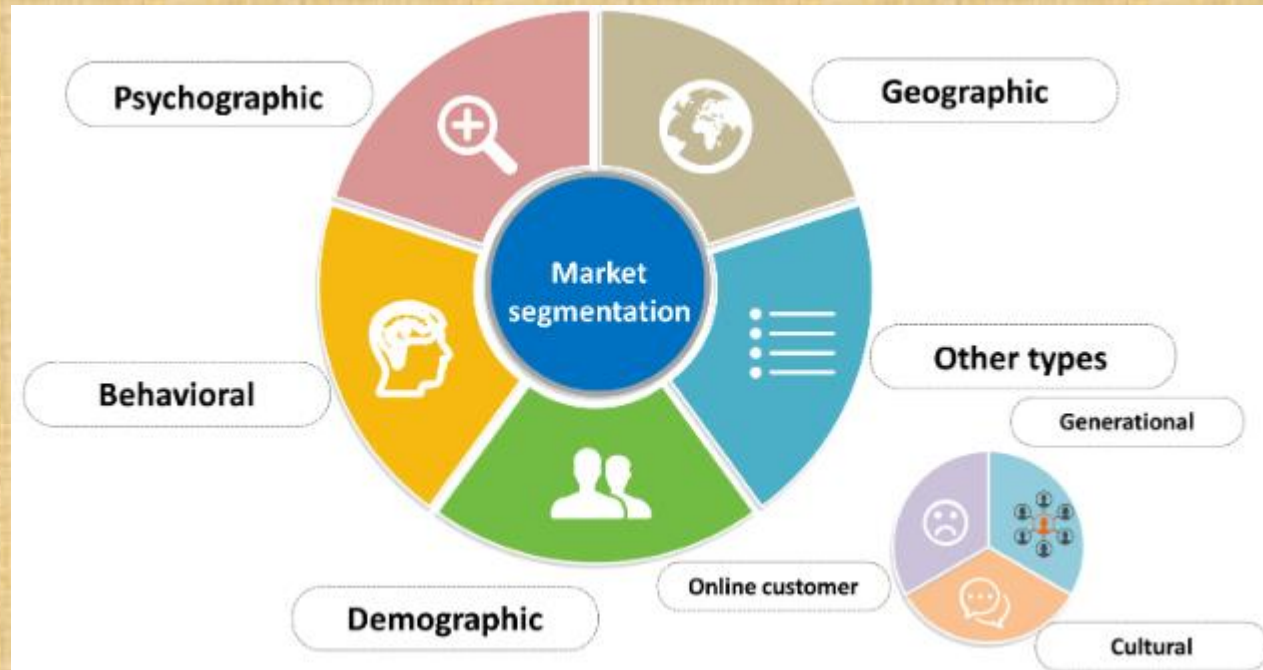
- What product attributes are important to customers
- How is customers' willingness to buy influenced by product design, pricing, and communications
- Where do customers buy this kind of product
- How is the market likely to change in the future
- Some entrepreneurs hire **marketing research firms** to perform research studies

The customer choice process

- **Understanding** enables entrepreneurs to develop the right products at the right prices
 - create and capture value
- Market these products to the right customers in the right place
 - communicate and deliver value



Segmentation



Segmentation

- A **segment** is a group of customers defined by certain common bases or characteristics
 - Demographic; age, education, gender, and income
 - Psychographic - commonly called *lifestyle characteristics*; active, individualistic, risk taking, and time pressured
 - Behavioral; consumer traits such as brand loyalty and willingness to adopt new products
- Identify the most relevant bases for segmentation and then develop segment profiles
 - high-income, sophisticated baby boomers
 - Geography, usage rates, product attribute preferences

Targeting



Targeting

- **Compares** the defined segments and then selects the most attractive one
- It **guides** your company's *customer selection* strategy
- The **attractiveness** of a segment is related to its size, growth rate, and profit potential
- Should reflect your company's specific **capabilities** and **longer-term goals**

Positioning

- Relates to competitors and to customers' *perceptions* of your product
- **Describes** a company's offering relative to certain product attributes
 - the ones customers care about most
 - price, quality, and convenience



Thank you for your attention!

Entrepreneurship and urban demands

5. Lecture

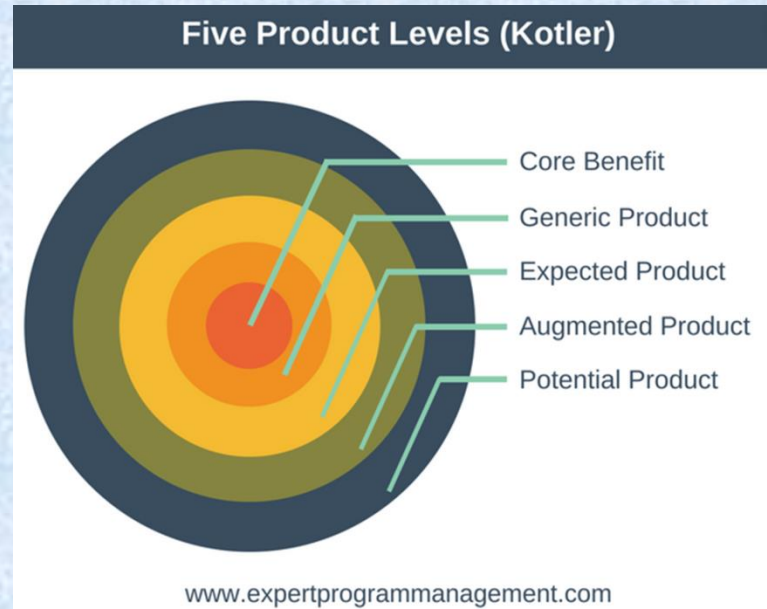
COURSE SCHEDULE

- 4P
- Intellectual property
- Entrepreneur vs manager



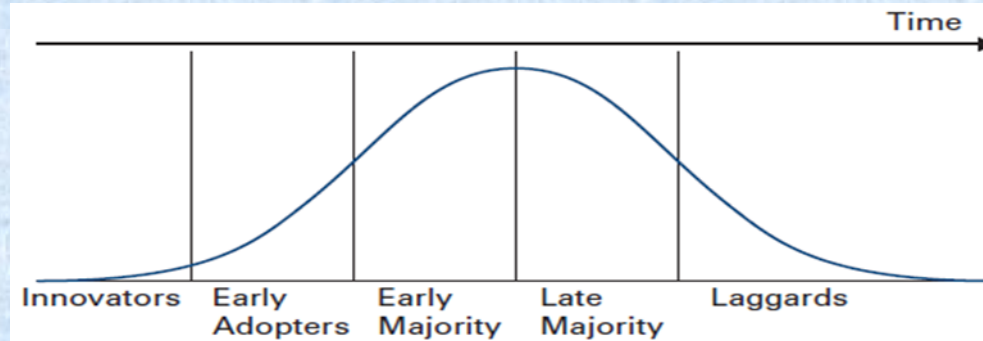
Product Strategy

- **Service or a good**
 - core product: is the essential good or service
 - augmented product: set of attributes peripherally related to it



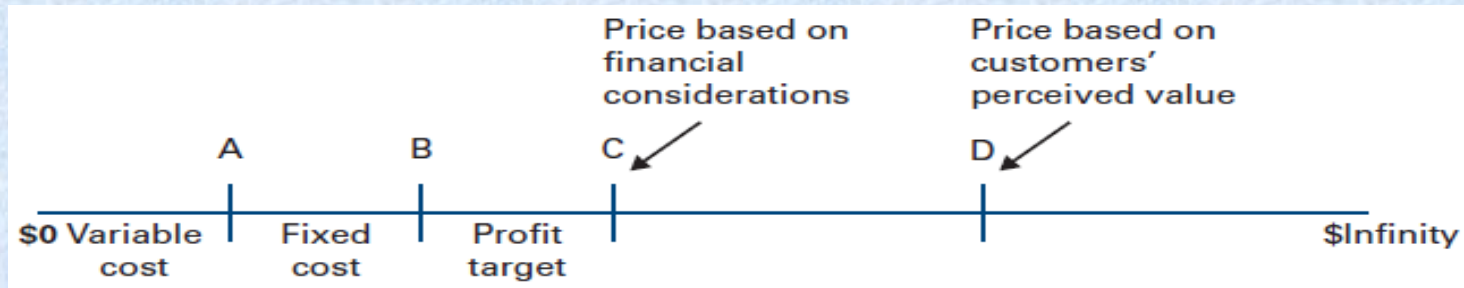
Diffusion curve

- Product diffusion curve: captures adoption behavior graphically, showing customer segments



Pricing Strategy

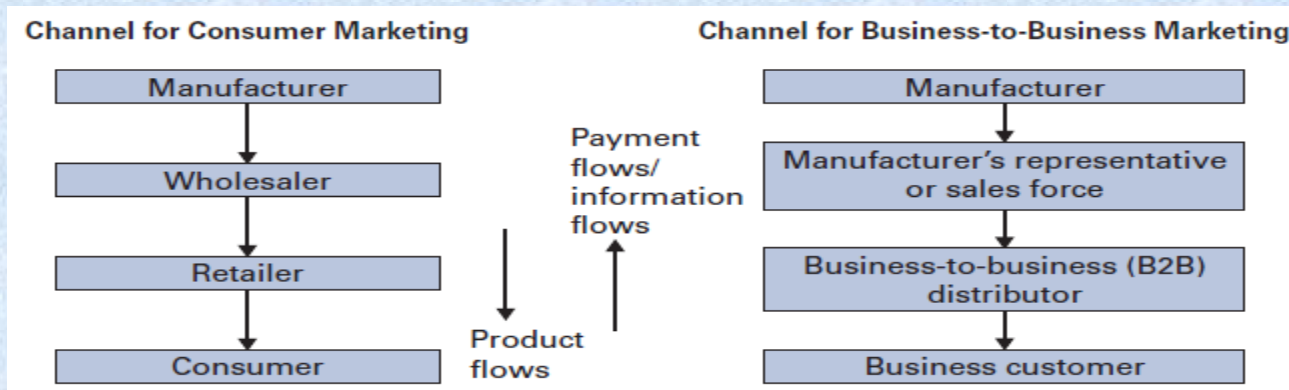
- **Challenge** for even the most sophisticated entrepreneurial company
- The price of a product/service must be higher than its variable cost
- Always define higher price – you can always offer discounts





Distribution Strategy (Place)

- Channels of distribution often are difficult to set up initially, we optimize them
- We must know how we will distribute products
 - Special conditions (food, frozen food, chemicals...)



Selling Directly to Consumers



Selling through Retailers



Selling through Wholesalers



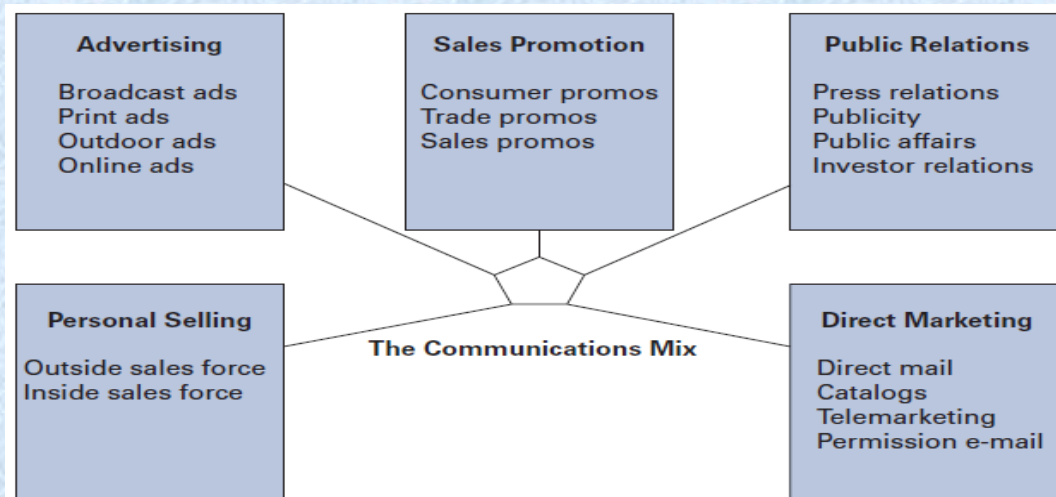
THE PROMOTION MIX:

MARKETING COMMUNICATION METHODS



Marketing Communications Strategy (Promotion)

- Convey messages to the market
- Push strategy: push a product through the channel
- Pull strategy create end-user demand



Guerrilla Marketing



Guerrilla Marketing

- Activities that are nontraditional, grassroots, and captivating
- Gain consumers' attention and build awareness of the company
- Types of guerrilla marketing
 - **Word-of-mouth marketing:** Giving people a reason to talk about your products and services and making it easier for that conversation to take place.
 - **Buzz marketing:** Using high-profile entertainment or news to get people to talk about your brand.
 - **Viral marketing:** Creating entertaining or informative messages that are designed to be passed along in an exponential fashion, often electronically or by e-mail.

Word-of-mouth marketing

MOST EFFECTIVE form of **MARKETING**:



That's because **90%**
of customers say
buying decisions
are **influenced by**
others' reviews...



...but only **1/3 of**
businesses are
actively seeking
and **collecting**
customer reviews...



...even though WOM
generates **2x the sales**
versus paid ads with a
37% higher customer
retention rate

Buzz marketing

01



Teach your audience about brand's product or service offered

02



Segment the audience into groups or categories

03



Provide the right tools for your audience to share the information easily

04



Monitor and study the "How, Where and When" the information is being shared

05



Listen and monitor the campaign at all times



Viral marketing



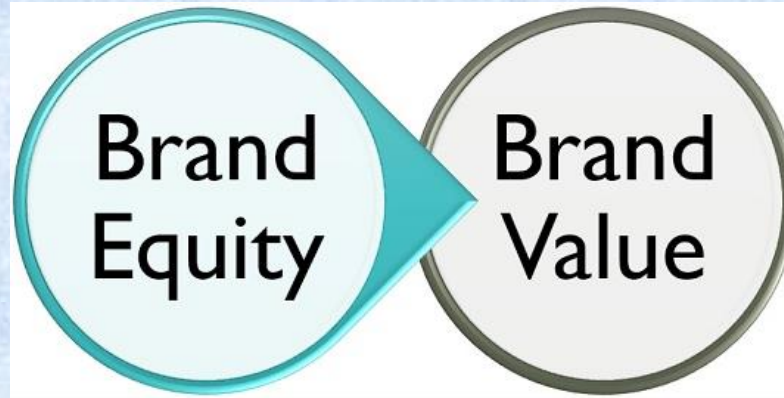
Branding

- **Brand awareness** is the customer's ability to recognize and recall the brand when provided a cue
 - help shape **brand image**



Equity

- is the effect of brand awareness and brand image on customer response to the brand.
 - spurs consumers to pay a premium price for a brand
 - a price that exceeds the value of the product's tangible attributes







Intellectual property

- Creations of the mind:
 - such as inventions; literary and artistic works; and symbols, names, images, and designs used in commerce
- Business intellectual property:
 - patents, trade secrets, trademarks, and copyrights

What is protectable

- **Patents** protect inventions
- **Trade secrets** cover proprietary information
 - a recipe, a customer list, or a unique way of conducting business
- **Trademarks** are key in differentiating a business's products and services
- **Copyrights** protect authors' original creations
 - literary, musical, artistic, software, and other intellectual works





How to protect your thing

1. Contact agent or patent office
2. Make shore you made a duplicate of your idea (e.g. take a picture and send it via email)
3. It's necessary to make an analysis
 - If anything similar already exist
4. You wait for a wile
5. You need to pay
6. You are the owner of a protected invention



Entrepreneur

Vs

MANAGER

Entrepreneur vs manager

- Entrepreneur makes right things
- Manager makes things right

Entrepreneur	Manager
Creative (Amabile, 1997)	Reasonable man (Ellis, 2003)
Innovative (Tidd in Bessant, 2011)	Leader (Stoner, 1995)
Optimistic (Fraser in Green, 2006)	Supervisor of sources (Bennis, 1995)
Self-efficient (Bandura, 1997)	Authority (Sadler, 1997)
Motivated (Shane et al., 2003)	Achiever of goals (Dubinsky et al., 1995)
Curiosity (Jeraj, 2014)	Mobilization (Schermerhorn, 2001)

Differences between E and M

	ENTREPRENEUR	MANAGER
STRUKTURE	<ul style="list-style-type: none"> • Entrepreneur is manager • Small team 	<ul style="list-style-type: none"> • Professional leader - manager • Big team
CARACTERISTICS	<ul style="list-style-type: none"> • Innovativeness and creativity • Niche orientation • High aims - vision • Short term orientation • Money - consequence • Creating changes 	<ul style="list-style-type: none"> • Innovativeness is slowing down • Adaptation • Aims according to market • Stability and long term orientation • Money – measure of success • Adjust to changes
STYLE	<ul style="list-style-type: none"> • Have an influence • Small hierarchy • Autocratic style of leading • Intuitive decision making • Calculated risk, we can learn from mistakes 	<ul style="list-style-type: none"> • The owner have an influence • Decentralization in decision making • Forming a rules/ procedures • Function specialization • Team work • Avoid risks, manager is paid to minimize risk
ACTIVITIES	<ul style="list-style-type: none"> • Strategy development • Development of products/services • Marketing plan • Ability to work in doubts • Many tasks • Searching of links • Gathering of finances, people, information... 	<ul style="list-style-type: none"> • Modification of products/services • Delegation of jobs • Recruitment, motivation • Social aspect • Minimizing conflicts • Negotiations • Leading

Entrepreneur becomes manager

- Entrepreneur is innovator and risk taker
- Company needs leader
 - To minimize risk
 - To decide with management team
 - To use different equations to decide
 - To optimize processes
- Entrepreneurs are usually bad managers

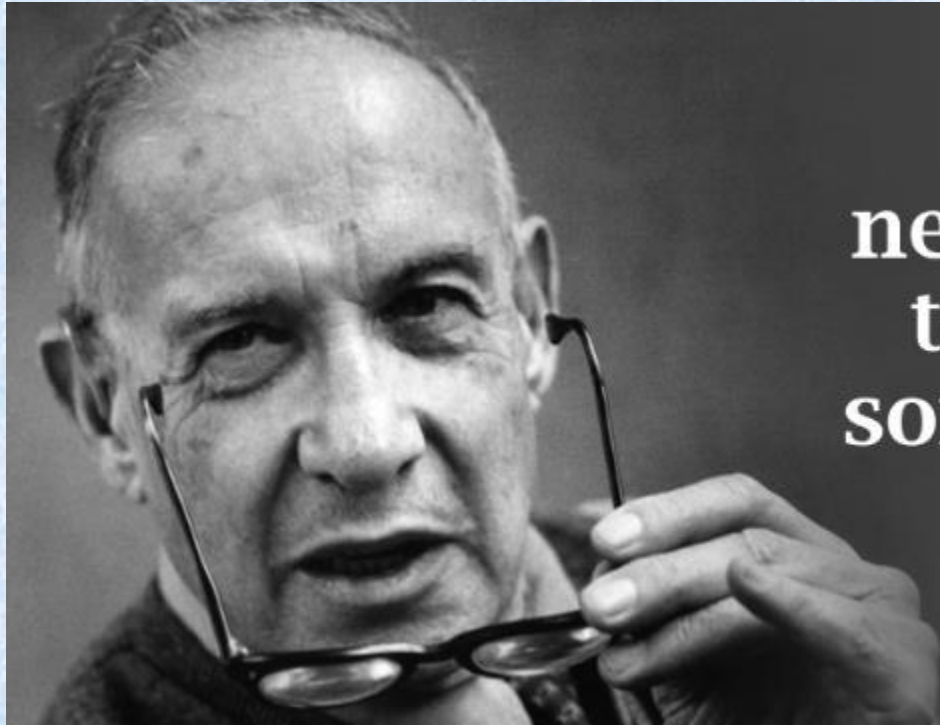


Risk comes from not knowing what
you're doing.

— *Warren Buffett* —

Manager becomes entrepreneur

- Managers have different skills than entrepreneurs
- Managers are organized, precise, educated
 - Use different methods to decide
- manager becomes entrepreneur
 - When he can't implement his ideas in company
 - The need for freedom
 - Has a very good business opportunity
- Manager can be a good entrepreneur



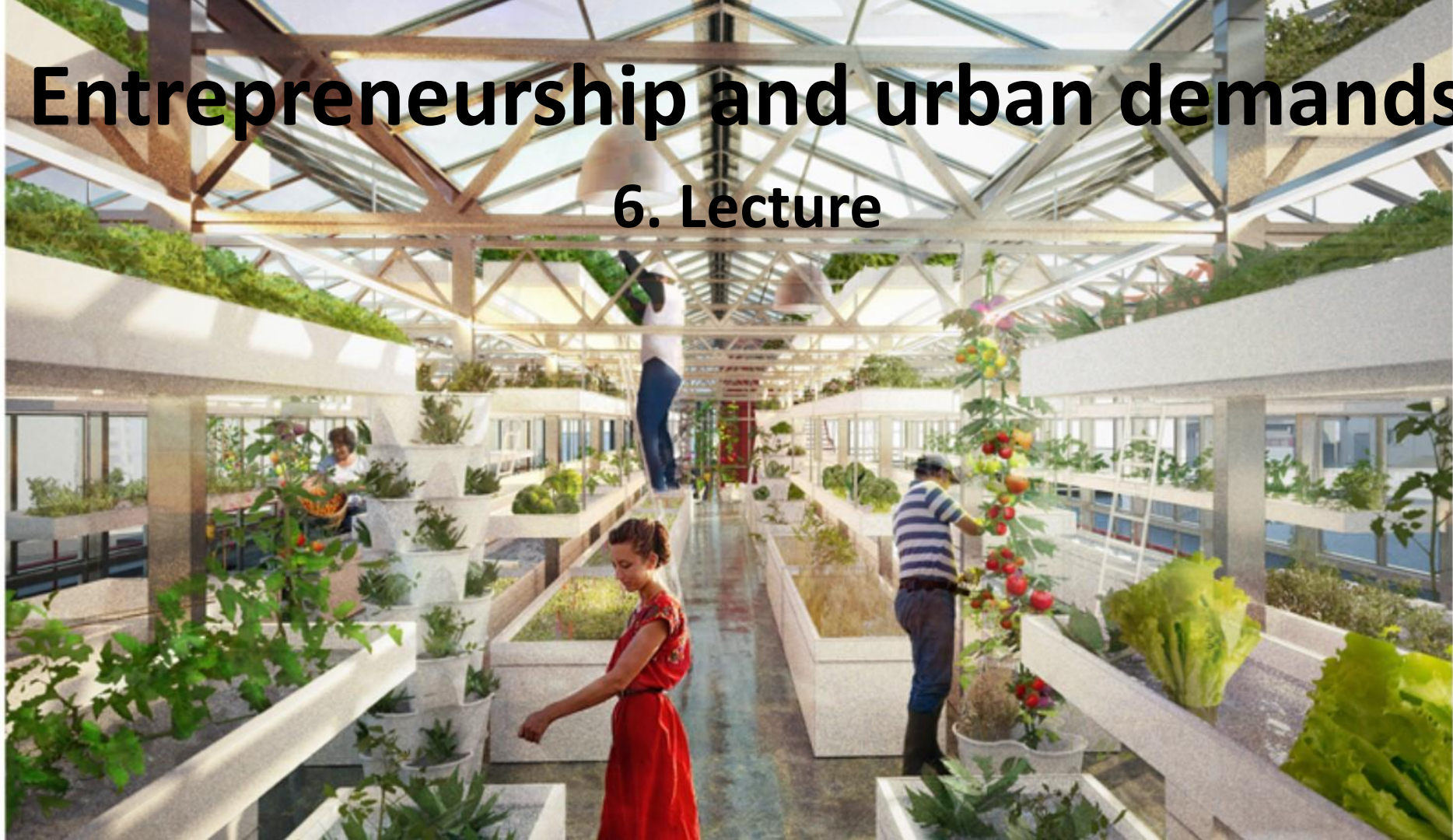
**If you want
something
new, you have
to stop doing
something old.**

PETER DRUCKER

Thank you for your attention!

Entrepreneurship and urban demands

6. Lecture



COURSE SCHEDULE

- Finance gathering
- Financing a new venture
- The transition from startup to growth
- The growth process

About Finance



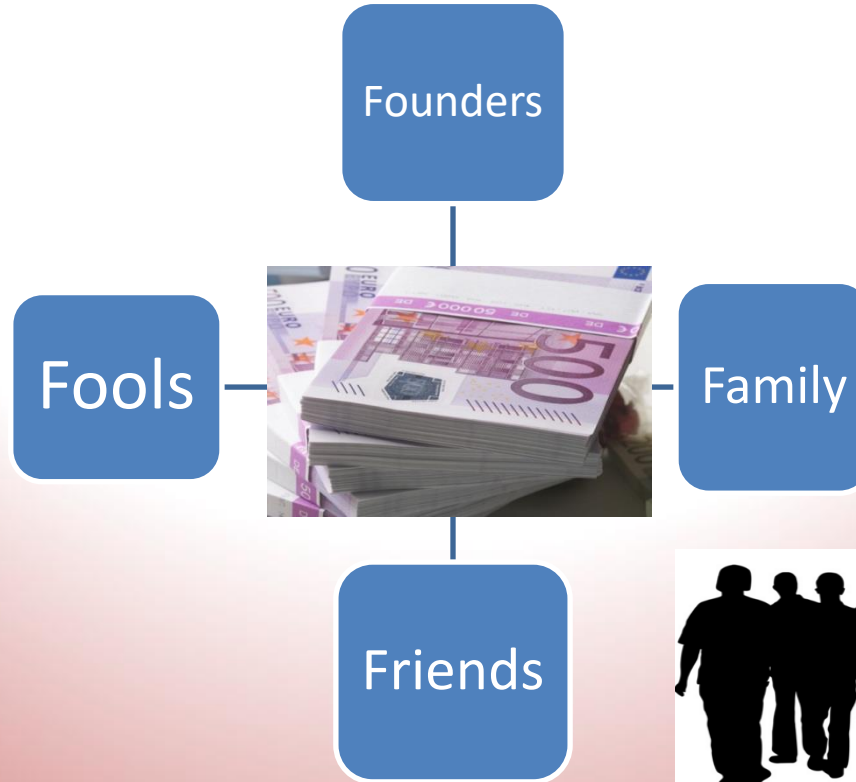
- Be economical; think it is your own money
- First beg and borrow than spend
- Manage your cash-flow aggressively
- Have a good relationship with the revenue, customers, suppliers, your bank and investors
- Get audited from the beginning
- Manage the company in a way it is easy to invest on it

Debt vs. Equity Financing

Debt	Equity
<i>Borrowing money from an outside source with the promise of paying back the borrowed amount, plus the agreed-upon interest, at a later date.</i>	<i>Equity financing means exchanging a portion of the ownership of the business for a financial investment in the business.</i>
<i>The lender has no control over your business.</i>	<i>The lender has control over your business.</i>
Friends and Relatives	Personal Savings
Banks and Other Commercial Lenders	Home equity loans
Government Programs	Friends and Relatives
Bonds - obveznice	Venture Capital
Lease	Angel Investors
Other	Initial Public Offerings
	Other



Model 4F



Banks and other financial institutions

- Popular sources of business financing
- They require a solid business plan
- Positive track record
- Not appropriate for start-ups
- Functions
 - Accepting deposits
 - Discounting bills of exchange
 - Agency services
 - General services

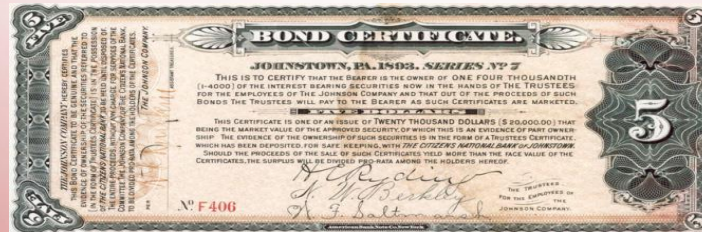


Government Programs

- Financial assistance in the form of grants and/or tax credits for start-up or expanding businesses
- The assistance is often in the form of a government guarantee of the repayment of a loan from a conventional lender
- Repayment assurance for a loan to a business that may have limited assets available for collateral

Bonds

- To raise financing for a specific activity
- A source of long-term financing for established companies
- When a company issues a bond it guarantees to pay back the principal (face value) plus interest
- Bonds are different from other debt financing Instruments
 - the company specifies the interest rate
 - when the company will pay back the principal (maturity date)



Lease

- A method of obtaining the use of assets
- The agreement is usually between the company and a leasing or financing organization
 - the lessee (user) to pay the lessor (owner) for use of an asset
- For the business without using debt or equity financing.
- Two options of lease
 - Financial lease
 - Operating or service / business lease





Angel Investors

- Individuals and businesses that are interested in helping small businesses survive and grow
- Angel investors may be interested in the economic development of a specific geographic area in which they are located.
- Their objective may be more than just focusing on economic returns
 - mission focus, they are still interested in profitability and security for their investment.
- They may still make many of the same demands as a venture capitalist
- Angel investors may focus on earlier stage financing and smaller financing amounts than venture capitalists
- <https://www.youtube.com/watch?v=Cb-6XRACOEU>





& Angel Investors



- Feb 2004; Mark Zuckerberg & Eduardo Saverin - 2F
- Angel Investors where there from begging
- Summer 2004; \$500.000 Peter Thiel - investor, ex PayPal
 - 10.2% Equity, becomes FB board
 - „I was comfortable with them pursuing their original vision. And it was a very reasonable valuation. I thought it was going to be a pretty safe investment."





- Companies or individuals in the business of investing in young, privately held businesses
- Capital to young businesses in exchange for an ownership share of the business
- Venture Capitalists prefer
 - businesses that have a competitive advantage
 - or a strong value proposition in the form of a patent,
 - a proven demand for the product,
 - very special (and protectable) idea
- Investors can provide valuable guidance and business advice
- <https://www.youtube.com/watch?v=a4aUX5u90oA>



& Venture Capital

- Series A: **Accel investment**
 - April 2005 \$12.7 million (FB valuation was \$98 million)
 - Accel joined Facebook's board
- Series B: **Greylock investment**
 - April 2006 \$27.5 million (FB valuation was \$500 million)
- Series C: **Microsoft investment**
 - October 2007 \$240 million (FB valuation was \$15 billion)
 - 1.6% share

Initial Public Offerings



- (IPOs) are used when companies have profitable operations, management stability, and strong demand for their products or services.
- This generally doesn't happen until companies have been in business for several years
- They raise funds privately one or more times.



& IPO

- February 1, 2012
- seeking to raise \$5 billion
- Zuckerberg retained a 22% ownership share and 57% of the voting shares
- shares at \$38 each, pricing the company at \$104 billion
- the largest valuation to date for a newly public company
- The IPO raised \$16 billion

Fb stock

Facebook, Inc. Common Stock
NASDAQ: FB

189,61 USD 0,00 (0,00%)

Closed: 12 Nov, 08:34 GMT-5 · Disclaimer

Pre-market 190,00 +0,39 (0,21%)

1 day

5 days

1 month

6 months

YTD

1 year

5 years

Max



Open	-	Div yield	-
High	-	Prev close	189,61
Low	-	52-wk high	208,66
Mkt cap	540,72B	52-wk low	123,02
P/E ratio	30,31		

Types of Crowd funding

- Donation
 - Backers donate money to ideas they want to see turned into reality
- Reward
 - Backers get a product/service or personal thank-you for backing a project / business
- Equity
 - Backers get share in company in exchange for finance
- Credit/Debt
 - Backers loan money and return get back capital (most cases with interest)





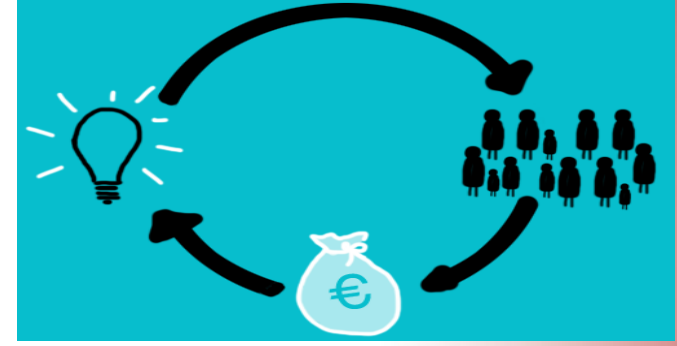
Player	Plus	Minus
Creators	<ul style="list-style-type: none"> - Better project/Supporter match - Provide info about projects - Increase supply of early capital - Early market research - Engage users in creation of product - Easier to create group-culture early 	<ul style="list-style-type: none"> - Disclosure Risk (patent, customers, costs, key employees, strategy) - Difficult to deal with large number of investors - Must deal with differing visions
Funders	<ul style="list-style-type: none"> - Access to investment opportunities - Early access to new products - Community participation - Support for product/service/idea - Formalization of contracts 	<ul style="list-style-type: none"> - Creator incompetence - Fraud: lack of repeated financial interaction increases chances of fraud - Project risk: Creator controls information release
Platforms	<ul style="list-style-type: none"> - Revenue model: 4-6 % of funded projects - Simple mission: Maximize -Reputation 	<ul style="list-style-type: none"> - Reputation Risk

Top 4 Crowdfunding Sites

Rank	Site	Volume	Fee	Important to Know
1	www.kickstarter.com	\$4 billion	5%	more than 155,000 projects funded since its inception in 2009
2	www.indiegogo.com	more than \$1 billion	5%	design, technology and innovation projects since it began operations in 2008
3	www.patreon.com	/	5%	Must pledge an on-going amount. Creative projects only. Additional processing fee of 4%.
4	www.teespring.com	/	10%+	T-shirt crowdfunding site. Fees vary based on t-shirts selected for sale.

What to do

- Be authentic
 - The person behind project is important
- Share the details
 - Goals and goal-setting are important characteristics of any campaign
 - Objectives and challenges
- A solid plan
 - Marketing and promotion are critical
 - Social media is key to the virality of campaign
 - Timing is important



Include



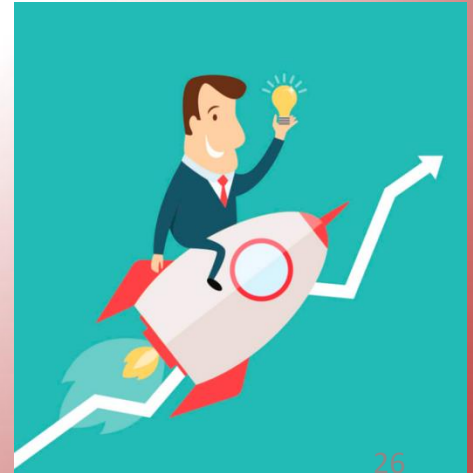
- **Exclusivity**
 - People pay big money for exclusivity, not common promotion
- **Making it easy to say „Yes“**
 - People don't like to pay money to things they question
 - Setting lower requirements for entry and clearly demonstrate high value
- **Creativity**
 - Higher creativity higher success rates
- **Social proof**
 - Humans want immediate social proof before they join new things
 - Using your own personal network is critical

The transition from startup to growth



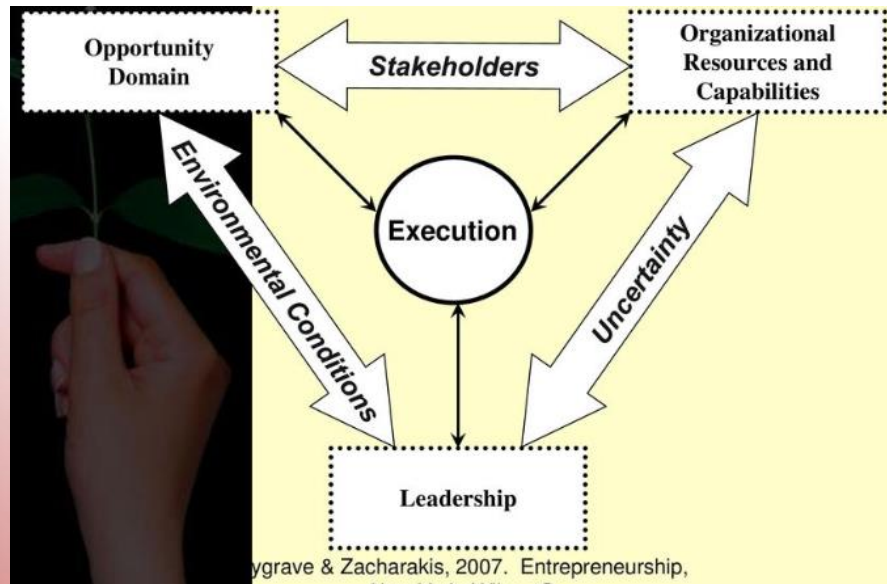
How?

- Entrepreneurship begins with an opportunity
- Sustainable success comes from creating an organization that can execute on that opportunity
- It is important to manage growth
- Organization building
 - Time and money
 - People

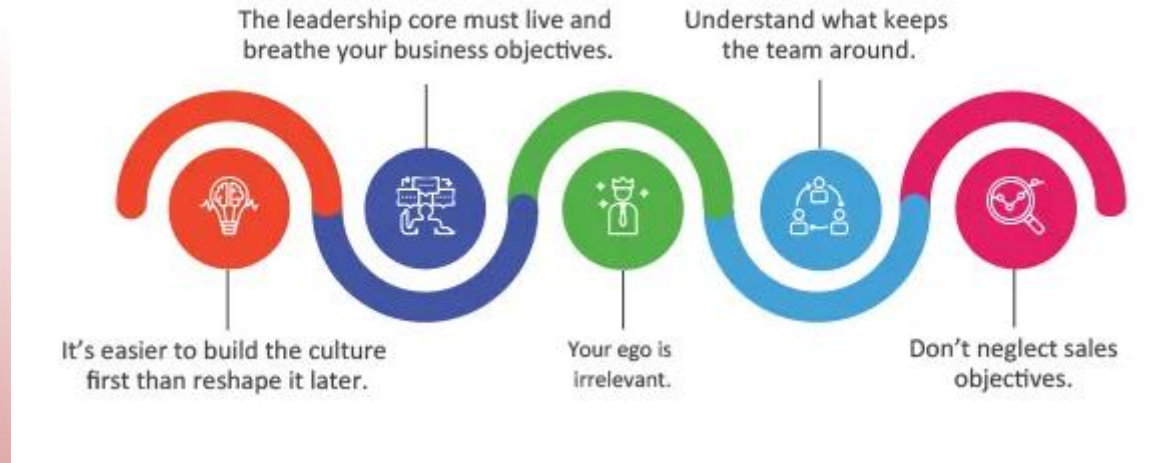


A Model of Driving Forces of Growth

- Three driving forces by start ups
 - the entrepreneur, the opportunity, and resources



Challenges and key imperatives for managing growth



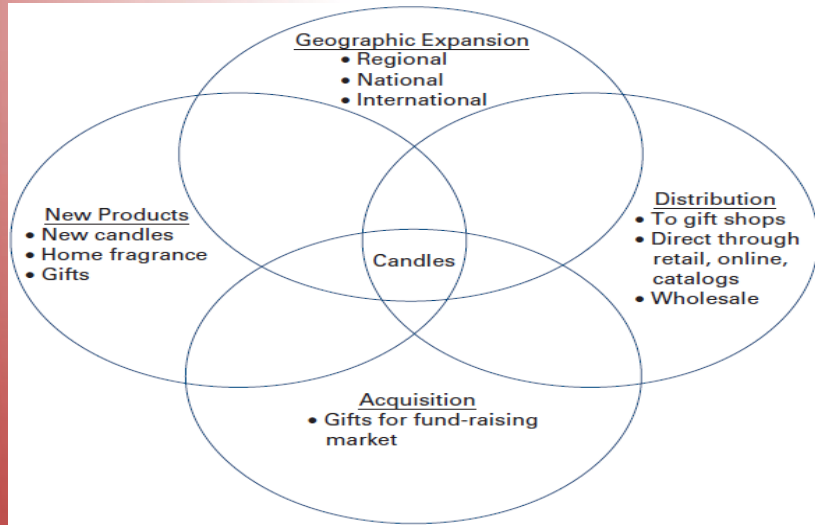
Consider



- Accounts receivable and collections policies
- An inventory management system
- Account payable policies
- Assessment of performance and expenditures
- Metrics to track trends in cash, receivables, inventory, payables, expenditures, and performance

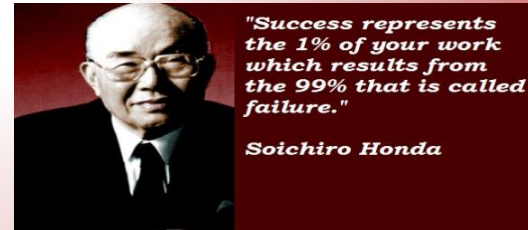
Opportunity Domain

- Leadership needs to define a strategic arena
- Example from Yankee Candle Company



Case: Growth of Honda

- Soichiro Honda (1906-1991) had an interest in automobiles
- He worked as a mechanic at the Art Shokai garage, in 1928 he opened his subsidiary
- In 1936 Honda he opened Technical Research Institute
- 1948 Honda; motorbikes and cars
- 1950 he hired professional manager Fujisawa
- Honda was an entrepreneur / innovator
- Today Honda is the worlds biggest producer of motors
 - Cars, motorbikes, atv-s, planes, fotovoltaic,...



Thank you for your attention!

Entrepreneurship and urban demands

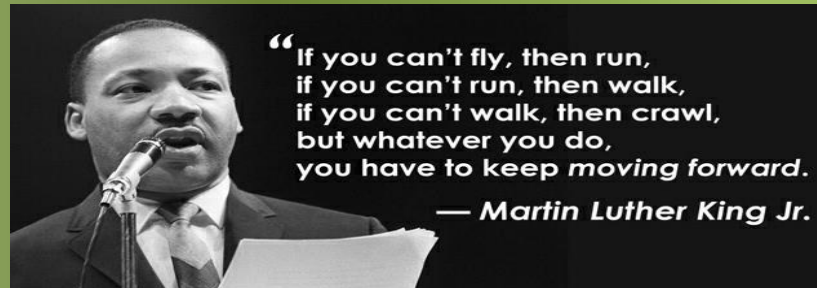
8. Lecture

COURSE SCHEDULE

- Business strategy
- Feasibility Analysis
- Business Plan
- Entrepreneur and Business
- Entrepreneur myths

Business Strategy

- Business (or Strategic) management is the art, science, and craft of formulating, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives.



Strategy

- A **plan of action** specifically designed to achieve a predetermined goal
- Executive approach to:
 - Defining and solving the marketing
 - Design
 - Production
 - Financial problems
- It must be short, relevant and feasible



Strategy of



- Google's strategy ties the company to its environment



Market Environment

- Always search for information



Points of a strategy

- Google's mission:
 - To organize the world's information and make it universally accessible and useful
- Google's values
 - Don't be evil
 - Technology matters
 - It's best to do one thing really, really well
 - Great just isn't good enough



Points of a strategy 2

- Resources and skills:
 - Innovative technology
 - Skilled work force
 - Corporate culture
- *Key success factors:*
 - Corporate culture
 - Innovative technology
 - Brand name



Developing Strategy



Feasibility Analysis

- Is the business commercially feasible in the marketplace
- Marvelous ideas are born each day, but many are simply not commercially viable
- We think about our idea in details
- A relatively brief version of the financial model
- the broad operating parameters
 - Product volume
 - Prices, margins
 - Operating expenses
 - Resources



Planning - Business Plan

- A formal statement of business goals, reasons they are attainable, and plans for reaching them
- What you want business to become
- It shows how you solve problems, a living document, constantly a work in progress
- It guides you in your investments
- It also an indicator:
 - Of your solutions
 - Companies grow
 - Ownership value



Audience

- May be internally focused
 - Owners
 - Managers
 - Researchers
 - Teams
- Externally focused
 - Goals that are important to external stakeholders
 - Particularly financial stakeholders
 - Partners



Getting investor attention

Information

What is your business

What is your market

How big is the market

Have you segmented the market

What is the revenue model

The business model

How does the business make money

Why is this product or service unique

How is it better, faster, and cheaper than other choices

What tangible assets does the company own

Intellectual property

What is a reasonable risk assessment

**A GOAL
WITHOUT A PLAN
IS JUST
A WISH.**
—ANTOINE DE SAINT-EXUPÉRY—

**THINKIN OF
A MASTER
PLAN.**

Table of Contents of Business plan

Cover Sheet and Table of Contents

Executive Summary

Statement of Purpose or Mission

Description of the Business

Description of the Products or Services Offered

Management Team

Marketplace and the Competition

Marketing and Sales Plan

Financial Information

Time Frame and Benchmarks

Funding Request

Appendices

Important to consider

Consider your Audience

- Show the benefit of your business
- Investors want their money to go into market-driven businesses

Keep it brief

- Cover all the major issues
- Complete, yet concise
- First draft will probably be longer, final document less than 40 pages long

Point of View

- Try to write your business plan in the third person
- Do not use I or we
- Maintain objectivity by removing your personal emotions

Professional image

- Professional and attractive, but not extravagant
- printed on white paper and spiral binding
- people who are not involved should read it

Prepare Your Pitch and Presentation

- A business pitch consists of an effort to convince others that your idea business opportunity is a good one
- Going over your product/service offerings, your market, your leadership, and why you will succeed
- Value proposition for the investor
 - e.g. what percentage of equity in the business that investment would buy



How to Choose Potential Investors

- Research Potential Partners
 - from family members and friends to venture capitalists or angel investors
- Look for investors who will be good long-term partners
 - meetings, reports, and reviews
- Which investors tend to know your industry
- Do they know people who can help you



Entrepreneur and Business

- How do I know I'm ready?
- What if I don't have a good idea?
- How do I get help?
- What if I fail?
- *Most forget to ask the critical question: WHO AM I?*



Entrepreneurial Mindset

- Body language says a lot about you (position, facial expressions)
- Behavior says a lot about you (hand shakes, elevator, how you enter a classroom, where you sit)
- Choice of words and tone say a lot about you
- You make judgments about others you don't even know!
- What does this suggest?

What is an Entrepreneur?

- *What characteristics must an entrepreneur possess?*
- Keen self-awareness
- Knowledge of product or service
- Connectedness to others
- Open-mindedness
- Community-builder
- Understanding of finances
- Insatiable curiosity/love of learning
- Modest ego
- Understands and delivers value
- Clear focus
- Optimistic and practical
- Willingness and courage to fail

What is an Entrepreneur?

- Together, those characteristics (and others) form the entrepreneur's "mindset", the lens through which the entrepreneur views the world.
- Successful entrepreneurs bring together their "Head, Heart, Hand and Home."



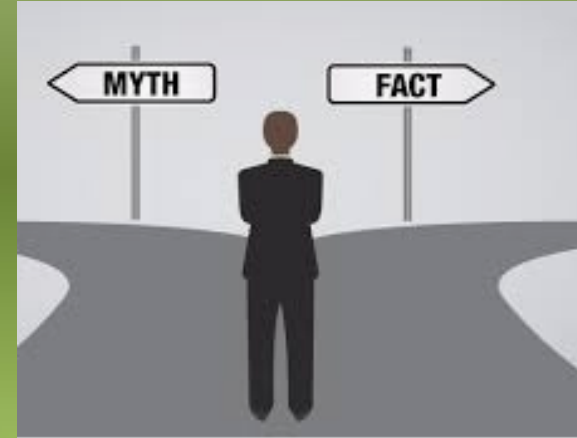
What is an Entrepreneur?



- Knowledge you want to share
- All that you care about
- Your tangible skills and creativity
- Your connections and community

10 entrepreneur myths

- I'll have overnight success — (Snapchat, Pinterest, Oculus, Tesla, etc.)
- I am the boss — others will work for me
- Flexible hours — I'll work when I want
- I'll have work/life balance
- My solution will work for everyone
- I'll make barrels of money
- I must have great ideas
- I'll keep my idea to myself until I'm ready to launch
- Investors will want to give me money
- I will never sell more than 49% of my company



QUESTIONS



Thank you for your attention!