

# ENTREPRENEURSHIP AND INNOVATION

INTRODUCTION TO  
ENTREPRENEURSHIP

BY



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# INTRODUCTION/ LEARNING OBJECTIVES

This course helps students who are potential entrepreneurs to be familiar with the how, why and what scouting and business opportunity is all about.

- It will arouse the interest of students in becoming entrepreneurs as they learn difference between the ideas and opportunities and how to generate and evaluate them successfully
- The course will challenge student to think beyond family, government and or national boarders in the search for social or economic opportunities.

# LEARNING OUTCOMES

AT THE END OF THIS COURSE, STUDENTS SHOULD BE ABLE TO:

- EXPLAIN THE CONCEPTS AND THEORIES OF ENTREPRENEURSHIP, INTRAPRENEURSHIP, OPPORTUNITY SEEKING, NEW VALUE CREATION, AND RISK TAKING;
- STATE THE CHARACTERISTICS OF AN ENTREPRENEUR;
- ANALYZE THE IMPORTANCE OF MICRO AND SMALL BUSINESSES IN WEALTH CREATION, EMPLOYMENT, AND FINANCIAL INDEPENDENCE;
- ENGAGE IN ENTREPRENEURIAL THINKING;
- IDENTIFY KEY ELEMENTS IN INNOVATION;
- DESCRIBE STAGES IN ENTERPRISE FORMATION, PARTNERSHIP AND NETWORKING INCLUDING BUSINESS PLANNING;
- DESCRIBE CONTEMPORARY ENTREPRENEURIAL ISSUES IN NIGERIA, AFRICA AND THE REST OF THE WORLD; AND
- STATE THE BASIC PRINCIPLES OF E-COMMERCE.

# COURSE CONTENT

1. CONCEPT OF ENTREPRENEURSHIP, INTRAPRENUERSHIP AND CORPORATE ENTREPRENEURSHIP.
2. THEORIES, RATIONALE, AND RELEVANCE OF ENTREPRENEURSHIP ( SCHUMPETERIAN AND OTHER PERSPECTIVES, RISK-TAKING, NECESSITY AND OPPORTUNITY-BASED ENTREPRENEURSHIP AND CREATIVE DESTRUCTION).
3. CHARACTERISTICS OF ENTREPRENEURS (OPPORTUNITY SEEKER, RISK TAKER, NATURAL AND NURTURED, PROBLEM SOLVER AND CHANGE AGENT, INNOVATOR AND CREATIVE THINKER).
4. ENTREPRENEURIAL THINKING (CRITICAL THINKING, REFLECTIVE THINKING, AND CREATIVE THINKING).
5. INNOVATION (CONCEPT OF INNOVATION, DIMENSIONS OF INNOVATION, CHANGE AND INNOVATION, KNOWLEDGE AND INNOVATION).
6. ENTERPRISE FORMATION, PARTNERSHIP AND NETWORKING (BASICS OF BUSINESS PLAN, FORMS OF BUSINESS OWNERSHIP, BUSINESS REGISTRATION AND FORMING ALLIANCES AND JOINT VENTURES).
7. CONTEMPORARY ENTREPRENEURSHIP ISSUES (KNOWLEDGE, SKILLS AND TECHNOLOGY, INTELLECTUAL PROPERTY, VIRTUAL OFFICE, NETWORKING).
8. ENTREPRENEURSHIP IN NIGERIA (BIOGRAPHY OF INSPIRATIONAL ENTREPRENEURS, YOUTH AND WOMEN ENTREPRENEURSHIP, ENTREPRENEURSHIP SUPPORT INSTITUTIONS, YOUTH ENTERPRISE NETWORKS AND ENVIRONMENTAL AND CULTURAL BARRIERS TO ENTREPRENEURSHIP).
9. BASIC PRINCIPLES OF E-COMMERCE.

# CONCEPT OF ENTREPRENEURSHIP

## Overview

- Most people see it as starting ones business
- An innovator who markets his/her own innovation
- Economists see it as someone willing to risk a new venture and make profit
- Developing new goods or processes that the market demands and are not currently being supplied.
- Joseph Schumpeter (1883 – 1950) -Ability to create new things and render other things obsolete

- Peter Drucker (1909 – 2005): a person who searches for change, responds to it and exploits the change as an opportunity
- Today, entrepreneurship is seen as a way for economic growth and employment opportunities in the society.
- Oberlo (2020) defined entrepreneurship as transforming the world by solving big problems (social change, creating new products or presenting life changing solutions)
  - ✓ Facebook
  - ✓ Whatsapp outfacing Blackberry Messenger (BBM)
  - ✓ Upgrading the features on Twitter etc

# WHO IS AN ENTREPRENEUR?

- An individual who creates a new business, bearing most of the risks and enjoying most of the rewards.

## SALARY EARNERS vs ENTREPRENEURS

- An innovator, a source of new ideas, goods, services, businesses, procedures e. tc.
- They provide employment, have more per capita income, higher standard of living
- They help the economy and source of revenue to the government in form of taxes
- They can engage in small scale , medium scale and large scale businesses.



Plate 1: AN ENTREPRENEUR

Source: Hendricks (2017).

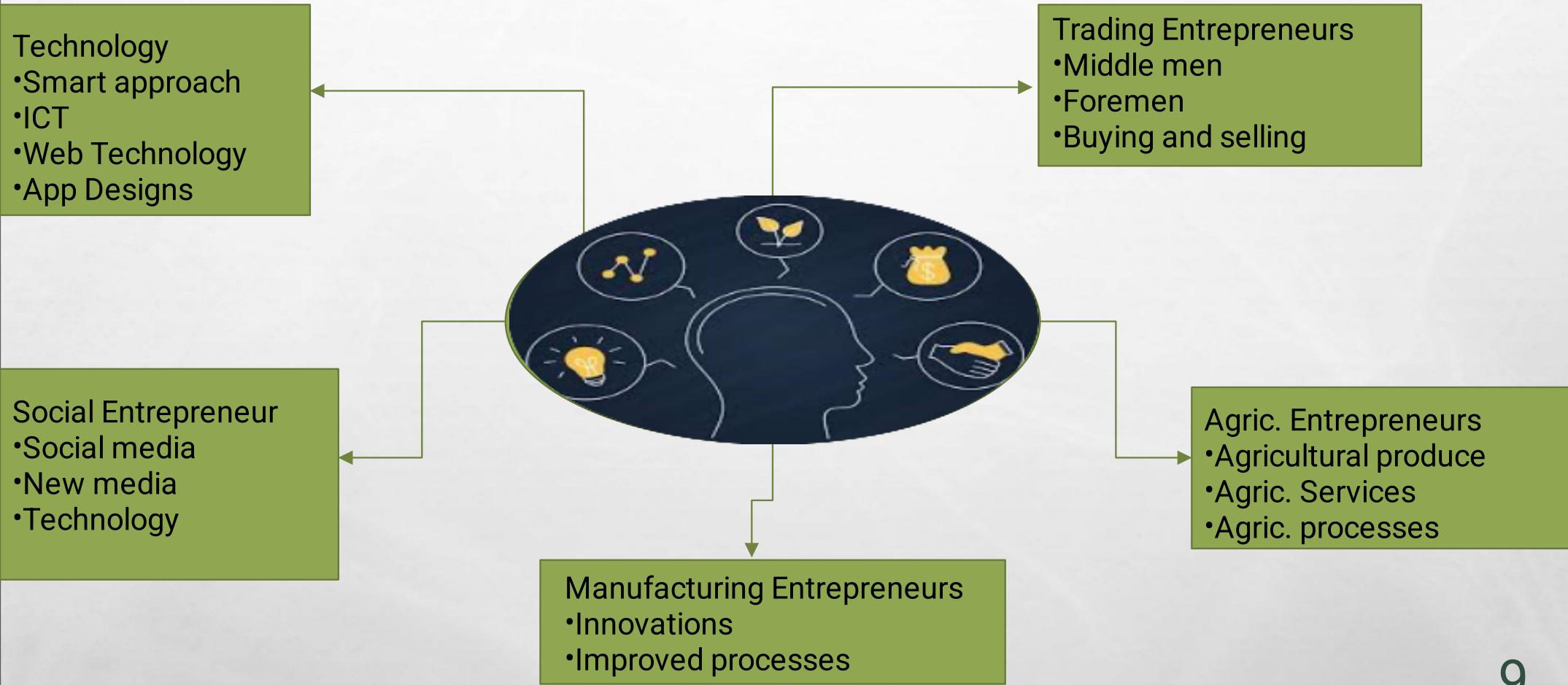
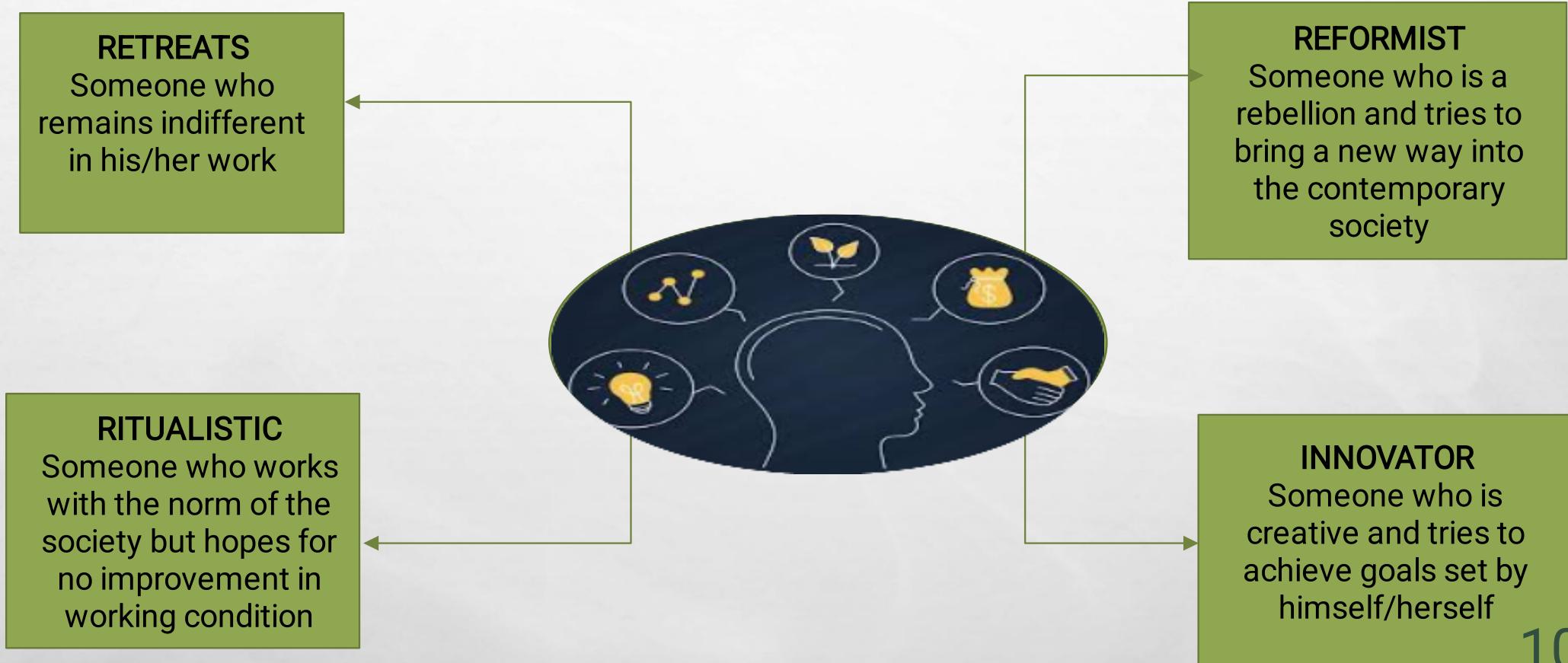


Figure 1: SOME BASIC TYPES OF ENTREPRENEURS

Image source: Smyth (2019)



**Figure 2: CATEGORIES OF ENTREPRENEURS**

Image source: Smyth (2019)



Innovation: brings new products or services



High Achievement: Doing things the new way, uncertainties



Organization builder: administrative abilities



Managerial skills and leadership: must have good skills



Gap filling functions: fills gap in production function

Figure 3: DISTINCTIVE FEATURES OF ENTREPRENEURSHIP

High need for success  
Strong desire for responsibility  
High degree of self confidence  
They hate routine work  
They like to experiment

Physiological Characteristics

- They are goal oriented
- They adapt to changing conditions
- They can organize to achieve goals

Sociological Characteristics

They are profit oriented  
They have risk taking ability  
Ability to innovate  
Ability to speculate

Economical Characteristics

Figure 4: Characteristics of an Entrepreneur



Figure 5: Roles of the Entrepreneur

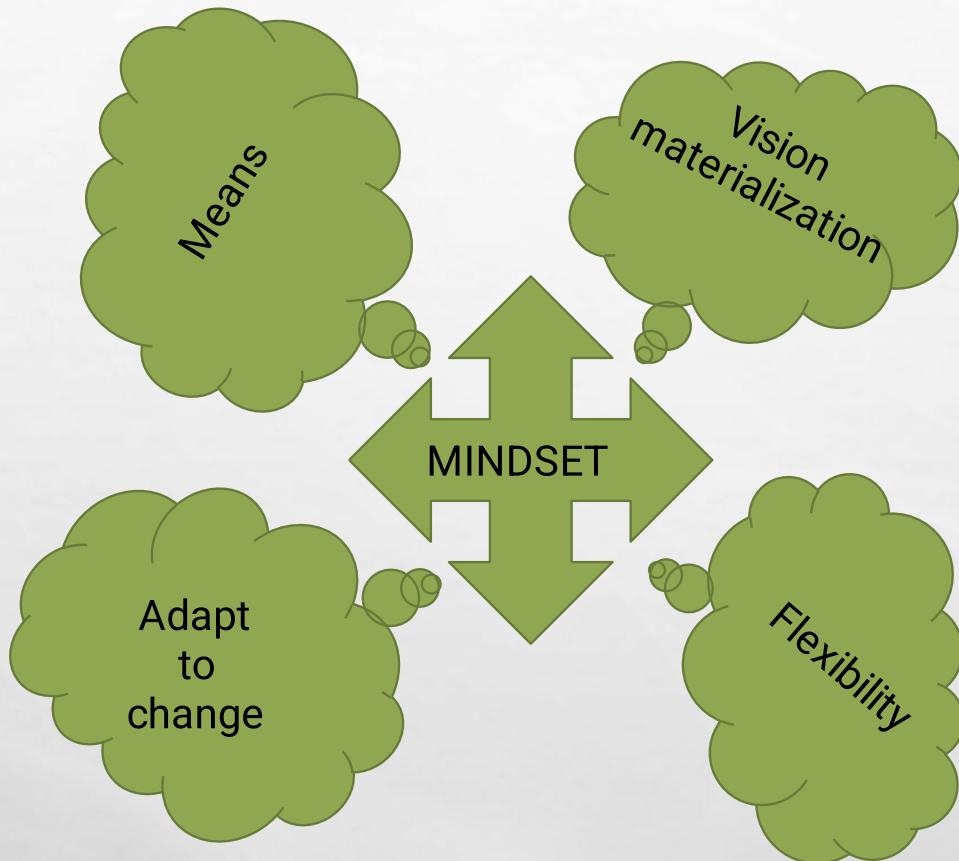


Figure 6: Attributes of a person with Entrepreneurship mindset

# OBSTAKLES FACED BY ENTREPRENEURS

When building a company, the most challenging areas faced are:



- Overcoming bureaucracy
- Hiring talents
- Obtaining financing

## IMPACTS OF ENTREPRENEURS TO THE ECONOMY

- They ensure financial stability: startup funds is essential and investment may come in later
- They build a diverse set skill: once the finances is available, develop skills.
- Consume contents across multiple channels: must be diversified and open so as to give him an ability to build business around a specific sector.
- Identify a problem to solve: building business around the problem
- Solve the problem: adding value within the problem

# PASSION TO ACTION



- Getting your hands dirty: at startup, it is essential to be directly involved with your customers so as to obtain honest feedback on how to improve the business
- Knowing when to change course: it is important to know when things are not working because only few businesses find the perfect touch at the first instance, others morph with time.
- Shrewd money management: it is essential for growth of business, keep personal funds separate, never deep into company funds for daily needs and allowances for contingencies.

- Communication: Entrepreneurs must be able to communicate with employees, investors and peers.
- Sales: it connects with communication and entrepreneurs must be able to sell anything and everything (business ideas, goods, services etc.)
- Focus: successful entrepreneurship path has ups and downs and must be focused when the going gets tough (Emotional instability).
- Ability to learn: must be patient, have an high capacity and desire to learn. Loss can help understand and expand ones business.
- Business strategy: apart from will, employing communication skills, sales skills, ability to learn business will fly. Solid plan is needed.

## QUESTIONS FOR ENTREPRENEURS

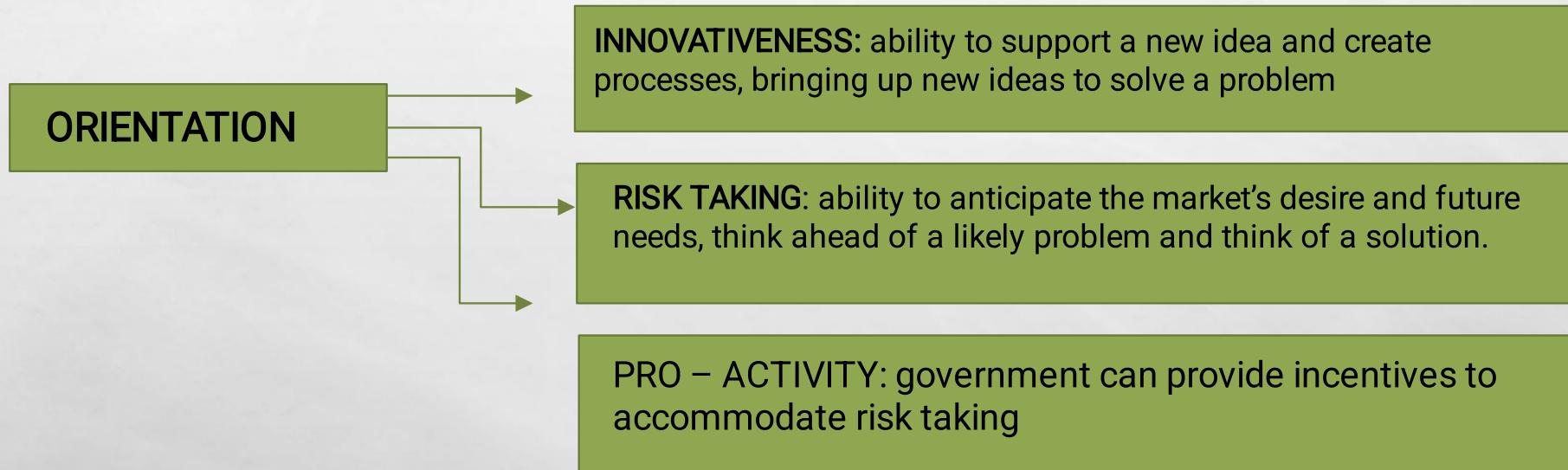


.....Being a boss is very exciting, but do a lot of research and homework well....

- Temperament and mindset of taking the world by my own terms
- Required resources to devote all the time to the venture
- Recommended network to seek help and advice needed
- Target consumer base
- Sales and distribution channels
- Who are my primary consumers
- Technical infrastructure needed

# ENTREPRENEURSHIP ORIENTATION

- It is a concept that addresses a firm's mindset in pursuing new ventures.
- It considers entrepreneurial processes, methods, practices and decision making



# ORGANIZATIONAL ENTREPRENEURSHIP

- In-depth knowledge and understanding of ones business interest are fundamental for better performance
- Numerous businesses have collapsed in this part of the world due to insufficient knowledge and planning
- Prior knowledge is a key to identifying and exploiting new entrepreneurial opportunities

## PRIOR KNOWLEDGE OF INDUSTRY/FIRM

- Prior knowledge plays an important baseline for start ups
- In dynamic environments, these knowledge can pay off because very few firms have the luxury of developing new products.

## THINKING OUTSIDE THE BOX

- Many firms turn to external sources
- Having in-depth knowledge about intending business plays a vital role in renewing the foundations and creating a framework for opportunity discovery and exploitation

# BIOGRAPHIES OF INSPIRATIONAL ENTREPRENEURS

- JEFF BEZOS (AMAZON)
- OPRAH WINFREY (MEDIA MOGUL)
- ELON MUSK (TESLA, SPACEX)
- SARA BLAKELY (SPANX):
- BILL GATE
- MARK ZUCKERBERG
- HENRY FORD
- K. NKRUMAH
- DONALD TRUMP
- J. NYERERE
- STEVE JOBS (56YRS): MAKER OF IPAD AND IPHONE
- JACK MA: FOUNDER OF ONLINE MARKET PLACE
- JEFF BEZOS: FAILED IN BUSINESS FOR SEVERAL TIMES
- BUFFET: STARTED INVESTING AT 11 YEARS OLD E.T.C.

- **Aliko Dangote:** Founder and CEO of Dangote Group, a conglomerate with interests in cement, sugar, flour, and oil. Net worth: \$23.2 billion. Dangote was born in April 10, 1957 is a renowned businessman and philanthropist, known for his entrepreneurial ventures and charitable efforts.
- **Mike Adenuga:** Founder of Globacom, Nigeria's second-largest telecommunications operator, and Conoil Producing Limited, an oil exploration company. Net worth: \$6.2 billion. Adenuga, born in April 29, 1953, is a self-made billionaire who built his fortune through telecommunications and oil production.
- **Abdulsamad Rabiu:** Founder and CEO of BUA Group, a conglomerate with interests in cement, sugar, and real estate. Net worth: \$4.7 billion. Rabiu, born in August 4, 1960 is a successful businessman and philanthropist who has invested in various sectors, including cement production and sugar refining.
- **Arthur Eze:** Born on 27<sup>th</sup> of November, CEO of Atlas Oranto Petroleum, a privately-held oil exploration and production company. Net worth: \$5 billion. Eze is a prominent businessman and philanthropist who has made significant contributions to Nigeria's economy
- **Femi Otedola:** Businessman and philanthropist with interests in oil, shipping, real estate, and finance. Net worth: \$1.4 billion. Otedola is a respected entrepreneur and investor who has made significant contributions to Nigeria's economy. Born on the 4<sup>th</sup> of November, 1962.
- **Tony Elumelu:** Chairman of Heirs Holdings and Transcorp, with interests in financial services, real estate, hospitality, and power. Net worth: \$2.15 billion. Elumelu is a prominent businessman and philanthropist who has promoted entrepreneurship in Africa. Born on the 22<sup>nd</sup> of March, 1963.
- **Orji Uzor Kalu:** Businessman and politician with interests in furniture, manufacturing, and transportation. Net worth: \$3.2 billion. Kalu was born on 21<sup>st</sup> of April, 1960, a successful entrepreneur and politician who has made significant contributions to Nigeria's economy.

- **Folorunsho Alakija:** Businesswoman with interests in fashion, oil, and real estate. Net worth: \$1 billion. Alakija is a renowned entrepreneur and philanthropist who has built a business empire through her various ventures. At present, she is the chancellor of Osun State University, Osogbo, Nigeria and was born on July 15, 1951.
- **Igho Sanomi:** Entrepreneur with interests in shipping, engineering, telecommunications, aviation, and real estate. Net worth: \$1 billion. Sanomi is a successful businessman who has invested in various sectors of the economy.
- **Jim Ovia:** Founder of Zenith Bank, one of Nigeria's largest financial institutions. Net worth: \$980 million. Ovia is a respected banker and entrepreneur who has made significant contributions to Nigeria's financial sector. He was born on November 4, 1951.
- **Mohammed Indimi:** Net worth: \$500 million, date of birth: August 12, 1947, source of wealth: Oil exploration and production
- **Tunde Folawiyo:** Net worth: \$650 million, date of birth: April 12, 1960, source of wealth: Energy, shipping, agriculture, and real estate
- **Cletus Ibeto:** Net worth: \$3.7 billion, date of birth: November 6, 1952, source of wealth: Diversified investments.
- **Auwalu Abdullahi Rano (A. A. Rano):** Net worth: \$9 billion, source of wealth: Oil and gas
- **Emeka Offor:** Net worth: \$2.9 billion, date of birth: February 10, 1957, source of wealth: Oil production
- **Benedict Peters:** Net worth: \$2.7 billion, source of wealth: Oil and gas industry

- **Andy Uba:** Net worth: \$2.1 billion, date of birth: December 14, 1958, source of wealth: Politics and investments.
- **Innocent Ifediaso Chukwuma:** Date of birth: October 1, 1961 - Source of wealth: Automotive manufacturing-
- **Patrick Ifeanyi Ubah:** Date of birth: September 3, 1971 - Source of wealth: Politics and business
- **Hakeem Belo-Osagie** - Net worth: \$550 million - Source of wealth: Oil and gas, telecommunications, and real estate-
- **Oba Otudeko** - Net worth: \$650 million - Date of birth: January 12, 1940 - Source of wealth: Diversified investments

# BIOGRAPHIES OF INSPIRATIONAL ENTREPRENEURS CONT'D

## TAKE AWAY

THESE INDIVIDUALS HAVE MADE SIGNIFICANT CONTRIBUTIONS TO NIGERIA'S ECONOMY AND HAVE BUILT SUCCESSFUL BUSINESSES THROUGH THEIR ENTREPRENEURIAL VENTURES.

## THE FAILURE OF SOME ENTREPRENEURSHIP IN NIGERIA

- OVER CAUTIOUSNESS
- LACK OF PERSISTENCE
- BAD BUSINESS ASSOCIATES
  - LACK OF FOCUS
- UNNECESSARY SPENDING
- . LACK OF ENTHUSIASM
- LACK OF A WELL DEFINED PURPOSE
- INABILITY TO AIM ABOVE MEDIOCRITY
- LACK OF SELF DISCIPLINE
- PROCRASTINATION

## FOLLOW-UP

- WHAT ARE THE BUSINESS STRATEGIES OF THESE ENTREPRENEURS THAT HAVE CONTRIBUTED TO THEIR SUCCESS?
- HOW HAVE THESE ENTREPRENEURS CONTRIBUTED TO NIGERIA'S ECONOMIC DEVELOPMENT?
- WHAT ARE SOME OF THE CHALLENGES FACED BY ENTREPRENEURS IN NIGERIA, AND HOW CAN THEY BE ADDRESSED?

# YOUTH AND WOMEN

## ENTREPRENEURSHIP

YOUTH ENTREPRENEURSHIP: YOUNG PEOPLE STARTING VENTURES (BUSINESSES, SOCIAL INITIATIVES) TO CREATE, INNOVATE, AND SOLVE PROBLEMS, DRIVEN BY AUTONOMY, PURPOSE, AND NECESSITY.

- WOMEN ENTREPRENEURSHIP: WOMEN INITIATING, ORGANIZING, AND RUNNING BUSINESSES, FACING UNIQUE CHALLENGES (ACCESS TO FINANCE, SOCIETAL BIASES) BUT BRINGING DIVERSE PERSPECTIVES.
- DRIVERS: DESIRE FOR INDEPENDENCE, FINANCIAL FREEDOM, PURPOSE, CHALLENGING STEREOTYPES, JOB

# GOVERNMENT AGENCIES (SBA, NYSC/YES IN NIGERIA): INSTITUTIONS

## PROVIDE FUNDING, TRAINING, REGULATORY SUPPORT

(E.G., SMEDAN, BOI).

- ✓ FINANCIAL INSTITUTIONS (BANKS, MICROFINANCE, NON-BANK FINANCIAL INSTITUTIONS): OFFER LOANS, BUT OFTEN WITH STRICT CRITERIA, CHALLENGING FOR YOUTH/WOMEN.
- ✓ INCUBATORS & ACCELERATORS: PROVIDE MENTORSHIP, WORKSPACE, NETWORKING, SEED FUNDING (E.G., YBI, AWEP).
- ✓ UNIVERSITIES & NGO'S: OFFER ENTREPRENEURSHIP

# YOUTH ENTERPRISE NETWORKS

**Purpose:** Connect young entrepreneurs, offer mentorship, share resources, promote peer learning, and build confidence.

**Examples:** Youth Business International (YBI), local chapters, startup incubators, business simulation networks.

**Benefits:** Access to global knowledge, practical skills (simulations), validation, and support.

## BARRIERS

**CULTURAL ATTITUDES:** NEGATIVE STEREOTYPES ABOUT ENTREPRENEURSHIP (RISKY, LOW STATUS), FEAR OF FAILURE, FAMILY PRESSURE FOR SECURE JOBS.

- ❖ **ACCESS TO FINANCE:** LACK OF COLLATERAL, CREDIT HISTORY, HIGH INTEREST RATES FOR YOUTH/WOMEN.
- ❖ **POLICY & REGULATION:** COMPLEX REGISTRATION, BUREAUCRATIC HURDLES, POLITICAL INSTABILITY.
- ❖ **EDUCATION GAP:** CURRICULA OFTEN LACK PRACTICAL ENTREPRENEURIAL SKILLS, MINDSET DEVELOPMENT.
- ❖ **INFRASTRUCTURE:** POOR ACCESS TO MARKETS, TECHNOLOGY, RELIABLE POWER (CONTEXT-DEPENDENT).

# KEY TAKEAWAYS: MINDSET & SUPPORT

## MINDSET: RESILIENCE, INNOVATION, LEADERSHIP, RISK-TAKING, PASSION, PURPOSE.

- **ACTION:** MENTORSHIP, SKILLS TRAINING (FINANCIAL LITERACY, DIGITAL), NETWORKING, POLICY REFORM, INCLUSIVE FINANCE.
- **GOAL:** CREATE AN ECOSYSTEM WHERE YOUTH AND WOMEN CAN THRIVE AS ENTREPRENEURS, DRIVING ECONOMIC GROWTH AND SOCIAL IMPACT.