



BEYOND BUZZWORDS: CREATING KNOWLEDGE AND RESEARCH BASED INSIGHTS THAT ENTREPRENEURS CAN LEVERAGE

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Sculpting global leaders YEARS

- Entrepreneurial journey as entrepreneur and academic
- Short-term focus on bogus buzzwords vs. long-term focus on meaning
- Entrepreneurship is now politically popular and charismatically charged term
- Natural strengths of entrepreneurship, broad appeal to multiple audiences
- Entrepreneurship is not a fashion-fad, absorbs a huge amount of human, social and financial capital, across the globe
- Interest determines the truth not the other way around. Theories that flourish have a reproductive advantage
- Entrepreneurship as a field of academic inquiry early 1970s
- 'War stories to case studies', practitioners have been equipped with the tools necessary to deduct general knowledge from their practical background

Bogus buzzwords vs. theory

- Limiting they fail in providing theory-anchored empirical research
- Systematic examination – practitioners will not see more deeply into the problems they face
- Few best practices taught today are valuable tomorrow
- Best practice does not represent the ultimate recipe for success in the field of entrepreneurship education, but serves as inspiration as to how entrepreneurship may operate
- A pragmatic person – pursues practical research programs in order to uncover knowledge useful for entrepreneurs
- It is not enough for a single study to be done to identify a predictor of one or more desirable entrepreneurial outcomes; entrepreneurs should be provided with replicated evidence of the validity of theory and the confidence that desirable outcomes follow from key predictors

Best practice vs. knowledge

- Academics' peer-reviewed scholarly articles are written in a manner that is dense, detailed and dull (or is that me?)
- Value in spending time on such a laborious task - appreciate what is already known about a research area and learn from the mistakes of others - more rigorous analytical framework
- By building on each other's research efforts - there is convergence on a theme or idea, theory is applied in innovative ways that enrich both the academic and practitioner
- Entrepreneurs want new knowledge that is not blatantly obvious - surprising instead of common sense
- Practical knowledge must be reliable and robust
- Entrepreneurs want a predictor to be cost effective as well as something that they can directly influence
- What do entrepreneurs actually do - insight about behaviour
- Focus on practices - statistically significant findings

Practical value

Signal detection theory (recognising opportunities)

Highlights

- Opportunities and risk-taking are central themes
- Successful entrepreneurs have a more realistic view of the risks involved and their chances of obtaining success; they are strongly motivated to maximise hits - to avoid the false alarms and the dangers of wasting their time, effort, and resources
- Focus on hits implies that they have better cognitive systems
- **Practical tips:**
 - Develop high levels of alertness, and continuously scan the environment
 - Focus on projects where the loss in a worst-case scenario is affordable
 - Recognise that failures and false starts are a normal part of the opportunity recognition process, and the knowledge gained from such experiences often leads to future gains

SDT – opportunity and risk

High-growth and high-impact entrepreneurship Highlights

- Not every new small business is entrepreneurial
- Sadly, in South Africa, majority of all entrepreneurs appear to be replicative - Schumpeter called it the "cluster of followers"
- **Practically** high-growth and impact opportunities based on:
 - An attractive market with advantage of cost competitiveness
 - High profitability and steady cash flows
 - Few or no 'fatal flaws' – rethink your business model
 - The ability of the entrepreneur to leverage the opportunity (human and social capital)
 - Complementary assets (things that are used along with the entrepreneur's new product or service)

High-growth and impact

Systemic entrepreneurship vs. local entrepreneurship Highlights

- Refers to socially productive entrepreneurial activities that go beyond the local level
- **Practical tips:**
 - Based on large volumes of market transactions exploiting large gains from trade and innovation
 - Develop a complex organizational structure
 - Deep accumulation of capital
 - You can control by deploying the means you have at hand
 - Practice many low-level, short-term experiments
 - Exploit environmental contingencies - flexible and adaptable
 - Social relations - impersonal and formal relations and map network ties - acquire social capital liability of newness

Local vs. systemic

- So - entrepreneurship is based on the twin principles of: conceptualisation AND execution
- Important tool in shortening the learning curve
- Inherent bias towards action - but without proper conceptualising, mistakes and failures can cripple a start-up
- The best entrepreneurs specialize in making “new mistakes” only
- Entrepreneurship - greater success as long as entrepreneurs have multiple opportunities to gain experience, overcome barriers
- Entrepreneurs must follow an incomplete and ever changing set of prescriptions - not take years to find perfect model and do nothing
- By applying these twin principals - clear that success is highly situational, depending on time, space, and context

Conceptualisation and execution

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References and further reading