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# Going Entrepreneurial

Entrepreneurship Workshop

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- Focus areas: strategy and marketing within SME's
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- (aspiring?) entrepreneur

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## Workshop...

- What do you **have** right now?
- What are you **willing** to do to make it happen?
- Who **will** help you?
- What is the first thing you can **do** right now?

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**"The expert entrepreneurs think in terms of control, not in terms of uncertainty."**

**Entrepreneur**

(Sarasvathy, 2005)

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## Bird in Hand



## Affordable loss



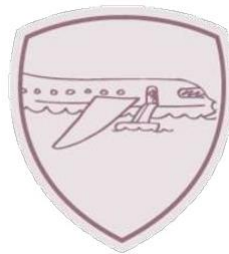
## Lemonade



# Patchwork quilt



# Pilot in the plane



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## To make a long story short...

**Figure 1**

**Managerial Thinking – Causal Reasoning**  
*Diagnostic Characteristics:*  
 Selecting between given means to achieve a pre-determined goal

→

**Entrepreneurial Thinking – Effectual Reasoning**  
*Diagnostic Characteristics:*  
 Imagining possible new ends using a given set of means

(Sarasvathy, 2005)

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# The real-world perspective

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## More information



- <http://www.effectuation.org/>
- <http://www.inc.com/magazine/20110201/how-great-entrepreneurs-think.html>

### BIRD IN HAND PRINCIPLE




- start with your means
- who I am
- what I know
- whom I know
- imagine possibilities that originate from their means

Source: [www.effectuation.org](http://www.effectuation.org)

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### AFFORDABLE LOSS

- Focus on downside risk
- limit risk by understanding what they can afford to lose at each step, instead of seeking large all-or-nothing opportunities
- choose goals and actions where there is upside even if the downside ends up happening



Source: [www.effectuation.org](http://www.effectuation.org)

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### LEMONADE



- Leverage contingencies
- Invite the surprise factor instead of making "what-if" scenarios to deal with worst-case scenarios
- experts interpret "bad" news and surprises as potential clues to create new markets


Source: [www.effectuation.org](http://www.effectuation.org)



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### PATCHWORK QUILT

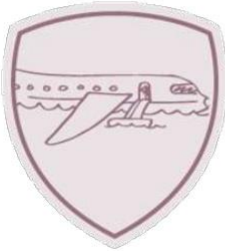
- Form partnerships
- build partnerships with self-selecting stakeholders
- obtain pre-commitments from these key partners early on in the venture, experts reduce uncertainty and co-create the new market with its interested participants



Source: [www.effectuation.org](http://www.effectuation.org)

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### PILOT-IN-THE-PLANE



- Control vs. Predict
- Focus on activities within their control
- expert entrepreneurs know their actions will result in the desired outcomes
- the future is neither found nor predicted, but rather made

Source: [www.effectuation.org](http://www.effectuation.org)

- Interests/Focus area: Transitioning to entrepreneurship from an academic environment ie after 3yrs+ at university how should I expect to start up a project when I finally step into the world; would talent be a factor; is it easier if I team up with a friend; how do I identify a niche; how do I know how much money is safe to invest in my project in case it fails?