



Institute Buzz

By Stewart Thornhill,
Executive Director, Pierre
L. Morrisette Institute for
Entrepreneurship

This column coincides with the first anniversary of my appointment as Executive Director of the Institute. It was with some surprise that this realization dawned on me, both because the year has passed with remarkable speed and because the economic world is a very different place in the summer of 2009 than it was merely 12 months ago.

Yet, despite the continuous messages of gloom and doom from the 24 hour news cycle – or perhaps because of it – entrepreneurs are continuing to find ways to create value, generate employment, and take ownership for the economic activity that makes the world go 'round.

In May, Eric Morse, Associate Dean - Programs and former Institute Director, led the 5th edition of Quantum Shift, a rigorous 5-day development program for owner/leaders of Canada's fastest growing companies, hosted in partnership with KPMG Enterprise at the Spencer Leadership Centre. In advance of the program, participants were asked about their predictions for the economy in general and their own firms in particular. While most were pessimistic about the overall outlook, most forecast double digit growth for their own organizations. Entrepreneurs are realists, but they never stop looking for opportunities.

As a final note, I am delighted to welcome Dave Wright, HBA '83, as incoming Chair of the Institute Advisory Council. An established entrepreneur, Dave Wright has been active on Council for many years and brings a wealth of practical insight to the role. Dave replaces David Anyon, EMBA '97, who has provided strong leadership to Council for the past three years. Thank you, David, for growing and building the Institute and for your continued active participation on Council. In addition, long time council members Rob Peterman, MBA '02 and Michael Boyd, MBA '72, assume the chair positions for the Outreach and Teaching committees, respectively.

Turning intent into action

Many firms want to be entrepreneurial, but aren't. The research of Terry Wang helps to explain why.

Google became an icon by revolutionizing the web with its search engine, but it didn't stop there. From web mapping to mobile technology, Google is always on the move, aggressively pursuing new opportunities and coming up with innovative products.

Although little more than a decade old, Google is now considered a well-established firm, with more than 20,000 employees and one of the most powerful brands in the world. Google exemplifies the idea that entrepreneurship is not just confined to individuals.

Firm-level entrepreneurship has emerged as an important focus of academic research, says Taiyuan (Terry) Wang, PhD '09. When he first joined Ivey's PhD program, he became interested in why some firms were so innovative, proactive, and risk-taking, and others weren't.

When he reviewed the existing literature in the field, he came across the scholarly idea of entrepreneurial orientation. Although this idea helps

to clarify the processes that lead to new products and new markets, it doesn't explain the distinction and link between intent and action. "Entrepreneurial orientation does not clearly distinguish between what entrepreneurial firms want to do and what they actually do," says Wang. "Since intention does not always lead to the action, distinguishing between these aspects of entrepreneurship is an important task."

In his research, Wang conducted surveys of some 200 small and medium-sized Canadian companies. He looked at three questions:

- Why do some firms want to be entrepreneurial while others don't?
- How do entrepreneurial firms realize entrepreneurial processes?
- What do entrepreneurial firms actually do in the marketplace?

Best intentions

Firms are made up of people who usually have different ideas about where the firm should go. As a result, firms often develop strategic objectives that are conflicting. For example, some managers might want the firm to be more innovative, while others want to focus on day-to-day operating efficiency. "Reducing slack can be a good thing, because it increases efficiency," says Wang, "but employees don't have as

continued on next page...

CONTINUED FROM PAGE 1

much time and resources to develop novel ideas.”

Wang found that firms that are truly entrepreneurial focus on pursuing three main objectives: new opportunities, future competitive advantage, and rapid growth.

The first strategic objective of an entrepreneurial firm is to look for new opportunities, says Wang. “A non-entrepreneurial firm tends to make investment decisions based upon its currently possessed resources. But an entrepreneurial firm will seek out and identify an opportunity first, then figure out how to acquire the resources it needs to pursue that opportunity.”

The second objective of an entrepreneurial firm is to gain a competitive advantage for the future. This intent often conflicts with short-term goals, such as creating operating efficiencies. By thinking long-term, a firm can focus on how to produce new products and enter new markets more quickly and frequently than its competitors.

The third specific intent of entrepreneurial firms is to pursue growth. This can mean the sacrifice of short-term profitability. “Firms often want to achieve a balance between growth and profitability,” says Wang. “An entrepreneurial firm will emphasize growth of market share so it can shift the industry, rather than focus on short-term financial results.”

Linking intention with action

Once a firm has an entrepreneurial mindset, how does it get to where it wants to go?

First, entrepreneurial firms foster the development of innovative ideas in the workplace. Google, for example, encourages its employees to spend significant time on any project that interests them. Some analysts believe that this “free” time accounts for many of Google’s new product launches.

Entrepreneurial firms also try to anticipate future customer needs, rather than focus on existing needs. “Customers often change their preferences, suggesting future needs are different from current ones,” says Wang. “Entrepreneurial firms predict what consumers will want in the future.”

Another important factor is the willingness to make strategic investments that are risky. By their nature, risky projects are not easy to accomplish, but they can create a high level of return.

Finally, entrepreneurial firms are not afraid of competition, no matter how big or powerful their competitors. When the Japanese car makers first entered North American markets, they faced stiff resistance. “The Japanese were not afraid to target the American car companies and compete with them at all levels of the organization,” says Wang. “They tried to be innovative, and were not afraid to launch new products and technologies.”

“Innovate or die”

A firm might have all the best intentions in the world, but in the end it is judged by whether it creates something new for customers.

A truly entrepreneurial firm does two things: produce new products and enter new markets. “These are the core elements of entrepreneurial firms,” says Wang. “Although a firm might appear to be entrepreneurial in terms of its intentions and processes, if it doesn’t introduce new products and enter new markets, then it is not entrepreneurial.”

Many managers want their firms to be more innovative, proactive, and risk-taking, because they see that as necessary to thriving in a very dynamic business environment. However, it’s a long journey from forming the necessary intention to reaching the desired action.

The first challenge for managers is to create clear strategic directions that emphasize opportunity, future advantage, and growth. “Once these goals have been set, you need to deliver this information to the whole organization so everyone understands it,” says Wang. “You also have to develop specific processes and practices to encourage employees to be innovative, proactive, risk-taking, and competitive in the marketplace. If you do these things correctly, then your firm will likely be able to launch new products and enter new markets successfully.”



about the author

Taiyuan (Terry) Wang,
PhD '09

Assistant Professor of
Entrepreneurship

Instituto de Empresa
Business School

Madrid, Spain

(commencing
September 2009)

Terry's top ten tips

In his research, Taiyuan (Terry) Wang looked at why some firms are entrepreneurial and others are not. Here are ten tips for managers to help their firms become more entrepreneurial:

1. Clearly identify your firm’s strategic objectives
2. Emphasize the pursuit of new opportunities
3. Focus on future competitive advantage
4. Make growth the firm’s priority
5. Communicate strategic objectives to the entire organization
6. Develop processes to encourage employees to come up with new ideas
7. Predict and act on future needs of consumers
8. Don’t be afraid of competition
9. Develop a culture that supports risk-taking behaviours
10. Evaluate strategies and processes by measuring new product and market entry

Learning that Transforms Lives

Recent issues of Ivey Entrepreneur have highlighted programs and events hosted by the Pierre L. Morrisette Institute for Entrepreneurship that were designed to engage Ivey's entrepreneurial alumni and friends. In this issue, we turn the spotlight on Institute initiatives that meet the growing demand of Ivey students who are keen to develop and expand their entrepreneurial skills and experiences.

Among the Institute's core values is a commitment to deliver learning that transforms lives. This commitment is realized in part by the **Certificate in Entrepreneurship**, a comprehensive 'learning and doing' program that delivers not only the theory behind successful new venture creation but also engages students in an entrepreneurial internship or the launch of a new business.

Students enrolled in the Certificate in Entrepreneurship must complete a 'learning' complement of core and elective courses within the entrepreneurship stream, as well as a 'doing' requirement through an internship within an owner operated business or the self-launch of a new venture.

According to Eric Janssen, HBA '09 alum and founder of Garage

Entrepreneurs, the Certificate Program is unique among entrepreneurship programs. "I was able to learn about not just business planning and opportunity recognition, but also how to manage lasting relationships, how to create stable stakeholder networks, as well as failure management." Lee Berger, HBA '09, echoes this sentiment: "The Certificate gives the students several opportunities to explore their own business ideas and make pitches to professional financiers. The students are taught by some of the best and brightest entrepreneurs in a variety of industries."

New Venture Project (NVP) is another key offering for entrepreneurial-minded students. NVP is a team-based field project that takes students through the process of developing an idea for a new venture, researching and analyzing that opportunity, writing a detailed



Prometheus Power Systems, a New Venture Project by MBA '09 grads (l to r) Joe Mocanu, Matthew Busbridge and Sebastian Koper, placed first at the National Business & Technology Conference Entrepreneurship Competition at the MaRS Discovery District in Toronto

Business Plan, and delivering a 'pitch' to an external review panel. According to Matthew Busbridge, MBA '09, "My New Venture Project was the single most valuable experience of my MBA; it gave my team an opportunity to pull together everything that we learned in

continued on next page...



Student Watch | Western Heads East



Osama Siddiqui, HBA '09 with with members of the Tukwamuane Women's Group, affectionately known as the Yogurt Mamas

During summer 2008, HBA students Osama Siddiqui and Jessica Kelly travelled to Mwanza, Tanzania to participate in an internship with Western Heads East (WHE), an initiative of The University of Western Ontario, to work with a group of women entrepreneurs. Their assignment: to assist the Tukwamuane Women's Group with its business planning to help grow the group's probiotic yogurt production and make its operations more self-sustaining.

While the broader WHE project combines hand-on assessments of health impacts and assistance with business planning, Jessica and Osama were the first WHE interns to examine the Tukwamuane Women's Group from a business perspective.

The outcome of their 4 month assignment was threefold: an online blog chronicling their internship experiences, a comprehensive business plan for the Tukwamuane Women's Group, and a case study (Yogurt Mamas: Probiotics in Tanzania) to teach social enterprise at Ivey.

Learn more about Western Heads East and read their blogs at www.westernheadseast.ca.

Inspired by her experiences, Jessica helped develop the Ivey Connects International Outreach Grant Program that has given \$1,000 to five HBA students volunteering overseas this summer. The entire Ivey Community will be able to share in their experiences through their blogs and formal presentations in September. For more information about this initiative, visit <http://iveyentrepreneur.blogspot.com/2009/05/ivey-connects-international-outreach.html>



Alumni Spotlight | New Venture

It's always exciting to hear from alumni when they're about to launch a new venture, and in the case of Lindsay Cross, MBA '08, her business is literally about to take flight.

Lindsay and her business associates, each a licensed commercial pilot, operate Seguin Air Tours with flight operations by Niagara Air, a customized flight service offering commuter and charter air service from Niagara Regional and Toronto GTA airports to Muskoka, Georgian Bay and other locations throughout Ontario.

The Seguin Air business plan was originally developed by Lindsay and a group of fellow students enrolled in Ivey's 12-month MBA program. In March 2008, the Seguin Air plan was one of just 10 business plans selected from over 30 submissions from across Canada to compete in the 2008 IBK Capital - Ivey Business Plan Competition, Canada's premier graduate student business plan competition.

While Seguin Air did not win, Lindsay remained committed to launching the new venture and knew it would be "that much more successful as a result of what we learned in preparation for the competition and the competition itself."

One year later, Seguin Air Tours is ready to take to the skies offering affordable, convenient and reliable flights that will allow customers to tailor their travel itinerary to satisfy their specific needs.

For information and reservations, visit Seguin Air Tours at www.seguinair.com.



CONTINUED FROM PAGE 3

class and apply it to developing our own business." MBA '09 Candidate and Entrepreneurship Club co-chair Mehran Redjvani concurs: "The program pushed my team to develop a competitive advantage which will hopefully position us well when we move to start the business in 2010."

"The Certificate of Entrepreneurship is an excellent way to get exposure to some of Ivey's best teachers and entrepreneurial opportunities." ~ *Ryan Nelson, HBA '09*

To date, over 200 HBA and MBA students have earned a Certificate in Entrepreneurship, and this year alone more

than 100 students completed a New Venture Project. Were these initiatives indeed experiences that transformed their lives? According to one recent grad, "The Ivey New Venture Project was the de facto field test of all that we learned during the MBA program and to me it felt like the difference between reading about skydiving vs. jumping out of the plane myself!"

Advisory Council 2009-2010



Outgoing council chair David Anyon, EMBA '97 with incoming council chair David Wright, HBA '83

The Entrepreneurship Advisory Council exists to help further the vision and aims of the Pierre L. Morrissette Institute for Entrepreneurship, and acts as a visible body of leadership, influence and support within the constituencies the Institute serves.

For a full list of the 2009-2010 Council visit: www.ivey.uwo.ca/entrepreneurship/resources/entre_council.htm#Members_of_the_Entrepreneurship_Council

The Ivey Entrepreneur newsletter is made possible by a grant from the HBA Class of 1970.

This newsletter is published for individuals in business and academic life who have a particular interest in entrepreneurship. If you have any comments or questions please contact us. If you or your organization would like to obtain a copy of this newsletter, free-of-charge, please contact:
The Pierre L. Morrissette Institute for Entrepreneurship Richard Ivey School of Business,
The University of Western Ontario, 1151 Richmond Street North, London, Ontario, Canada N6A 3K7
E: entrepreneurship@ivey.uwo.ca **W:** www.iveyentrepreneur.ca

RISE ABOVE

Richard Ivey School of Business
The University of Western Ontario



Pierre L. Morrissette
Institute for
Entrepreneurship