

The Peter F. Drucker & Masatoshi Ito Graduate School of Management
Claremont Graduate University

MGT 703: Entrepreneurship

This course examines the new venture process, from idea generation to startup to harvest. This course is designed equip students with a thorough knowledge of the important issues surrounding the establishment management and of new business ventures. Students will learn how to design and critically evaluate proposals. They will also learn to recognize and devise strategies to mitigate the risk associated with new ventures, and understand the legal issues surrounding intellectual property protection. An interactive lecture format is supplemented with class discussion, case analyses, papers, and presentations.

Professor

Dr. John A. Pearce II
VSB Endowed Chair in Strategic Management and Entrepreneurship
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Texts and Articles

The basic set of required articles is listed at the end of this syllabus. (Required)

Each student will acquire (buy/borrow) one book from a list of options provided by the Professor. The decisions about the book to be acquired will be made jointly by the Professor and each student once the course has begun. (Required)

Hisrich, R. D., M. P. Peters, and D. A. Shepard. 2006. *Entrepreneurship*, 7th edition, Homewood, IL: Richard D. Irwin. ISBN-13: 978-0-07-321056-8 (Recommended)

Course Objectives

1. To develop an understanding of Entrepreneurship concepts, theories, and research.
2. To develop a better understanding of the present and future environments within which the new venture must function.
3. To develop the ability to analyze and evaluate the requirements for successfully undertaking the creation of a new venture.
4. To develop the ability to analyze and evaluate the strategic options of an entrepreneurial venture over the lifecycle of its existence.

5. To gain a working knowledge of special topics including intrapreneurship, international entrepreneurship and social entrepreneurship.

Outcome Measures

Having successfully completed this course in Entrepreneurship, students will have acquired the following knowledge and be able to demonstrate the following skills:

- How to assess a new business opportunity
- The resources an entrepreneur needs to start a new business
- The mechanics of producing a sound business plan
- The process of raising venture capital and other types of financing
- The stakeholder perspectives in a growing business
- Barriers to growth and strategies to overcome them
- Growth models, adaptation and evolution, and managing transitions
- How an entrepreneur manages and sustains growth
- When and how entrepreneurs and their investors realize their financial returns
- The symptoms of decline in a small firm and how to manage a turnaround

Course Requirements

1. Course grades will be determined by performance on an examination, class discussions and case analyses, a formal presentation, and a term paper. Items in the syllabus and all emailed assignments (usually from the attached *Entrepreneurship Supplemental Reading List*) are to be read before class. Attendance is expected at all class sessions. The percentage breakdown on grading components is: Class Discussions and Case Analyses (25%), Term Paper (25%), Entrepreneurship Book Presentation (25%), and Final Examination (25%).
2. The presentation will be the most professional of your academic career in content, style, and delivery. You will look, sound, and have the content of an expert. Powerpoint and handouts are usually components of a good presentation. You are allowed a script but you will be penalized if you read the presentation. Penalties of one letter grade or more apply if you fail to reach or exceed the 10-minute mark by more than one minute.
3. The term paper is due at the beginning of the period for which it is assigned. A late paper is penalized one letter grade immediately and an additional letter grade for each subsequent 24-hour period that it is late.
4. A missed examination or missed presentation cannot be made-up without the professor's permission or unless the student provides a physician-signed medical excuse. Otherwise, a grade of 50% will be recorded when an exam or presentation is missed. A job conflict does not serve as an acceptable excuse.
5. Letter grades for the course will be as follows: A = 93% or above, A- = 90% - 92.99%, B+ = 87% - 89.99%, B = 83% - 86.99%, B- = 80% - 82.99%, C+ = 77% - 79.99%, C = 73% - 76.99%, C- = 70% - 72.99%, F = below 70%.

MGT 703: Entrepreneurship – Dr. John A. Pearce

SYLLABUS

Session #1

Topics: Review course syllabus
Introduction to Entrepreneurship
Creativity and the business idea
Individual selections of Entrepreneurship Books and signups for presentation dates

Assignments: Cases: Ockham Technologies – Leaders’ Team; *Entrepreneurship*, Chs. 1-2; 5
Monika Forejtova

Articles from the *Readings* packet on New Venture Creation:

- Chafkin, M., S. Clifford, S. Goldstein, and M. Hofman. (2007). How to launch a cool, profitable, worth-all-the-risk, kick-ass start-up. *Inc*, July 1: 77-86, 17.
- Clark, H. (2007). A new kind of company. *Inc*, July 1: 23-24.
- Hormozi, A. M. (2004). Becoming an entrepreneur: How to start a small business. *International Journal of Management*, 21 (3): 278-285.
- McCraw, T. K. (2007). What leads a person to start a company? "The impulse...to prove oneself superior to others". *Inc*, August 1: 73-74.

Articles from the *Readings* packet on Innovation:

- Drucker, Peter F. 2002. The discipline of innovation. *Harvard Business Review*, 80: 95-102.
- Fenwick, T. (2003). Innovation: Examining workplace learning in new enterprises. *Journal of Workplace Learning*, 15 (3): 123-132.
- Ottenbacher, M., V. Shaw, and D. Ermen. (2006). The new service development process in successful small entrepreneurial firms. *International Journal of Entrepreneurship and Innovation*, 7 (2): 77-85.
- Gill, J. (2007). A new kind of salt mine. *Inc*, July 1: 98-105, 17.

Session #2

Topics: The business plan, including organizational and marketing

Assignments: Case: The Speedway – NASCAR Plan; *Entrepreneurship*, Chs. 7, 8, 9

Articles from the *Readings* packet on the Business Plan:

- Beaver, G., and P. Jennings. (2005). Competitive advantage and entrepreneurial power: The dark side of entrepreneurship. *Journal of Small Business and Enterprise Development*, 12 (1): 9-23.
- Beverland, M., and L. S. Lockshin. (2004). Crafting a competitive advantage: Tempering entrepreneurial action with positioning-based values. *Qualitative Market Research*, 7 (3): 172-182.
- Childers, J. S., Jr., and E. Offstein. (2007). Building entrepreneurial E-commerce competitive advantage: a blending of theory and practice. *Advances in Competitiveness Research*, 15 (1/2): 41-53.
- Hsiao, J. C., and K. Fong. (2004). Making big money from small technology. *Nature*, 428 (6979): 218-220.
- Salkever, A., and P. J. Sauer. (2007). A high profile arrest. *Inc*, August 1: 59-61.
- Wellner, A. S. (2007). Nothing but green skies. *Inc*, November 1: 115-120.

Session #3

Topics: Financing the New Venture: Sources of capital, Informal risk capital, and Venture capital
Entrepreneurship Book Presentations begin

Assignments: Cases: AtHoc – Growth to VC; *Entrepreneurship*, Chs. 10, 11, 12, 16
Radha Jalan and ElecroChem, Inc.

Articles from the *Readings* packet on Financing the New Venture:

- Arora, R. (2004a). Small businesses, big dividends? *The Gallup Poll Tuesday Briefing*, 76-77.
- Arora, R. (2004b). Does it pay to be your own boss? *The Gallup Poll Tuesday Briefing*, 69-70.
- Chafkin, M. (2007). Big love: When angels have too much faith. *Inc*, July 1: 31-32.
- Gilmore, A., D. Carson, and A. O'Donnell. (2004). Small business owner-managers and their attitude to risk. *Marketing Intelligence & Planning*, 22 (2/3): 349-360.
- Hellmann, T. (2007). Entrepreneurs and the process of obtaining resources. *Journal of Economics & Management Strategy*, 16 (1): 13.

Session #4

Topics: Managing the Launch and Early Growth; New Venture expansion; and
Disinvestment issues

Entrepreneurship Book Presentations

TERM PAPER due

Assignments: Cases: TA Energy (Turkey) – International Partnerships
Bert Twaalfhoven: A Global Entrepreneur
No Magic: Just Software that Works
Succession at Building #19
Razorfish

Entrepreneurship, Chs. 13, 14, 17; 4, 15

Articles from the *Readings* packet on Launch, Early Growth, Expansion, and Disinvestment:

- Beaver, G. (2007). The strategy payoff for smaller enterprises. *The Journal of Business Strategy*, 28 (1): 11-17.
- Brodsky, N. (2007). How independents can hold their ground. *Inc*, August 1: 65-66.
- Dahl, D., and P. J. Sauer. (2007). The question was, how to fight back? *Inc*, December 1: 77-78, 80, 18.
- Ellis, J. H. (2007). People worry that a recession is coming. But by the time one arrives, most economic harm has already happened. *Inc*, December 1: 103-104.
- Salkever, A. (2007). To buy or not to buy? *Inc*, November 1: 60-61, 64, 66.
- Sauer, P. J. (2007). Returning to its roots. *Inc*, November 1: 67.
- Tikun, N. (2007). Boomer benefits as workers retire, small companies face a talent crunch. *Inc*, August 1: 44-46, 16.
- Wellner, A. S. (2007). No free pass anti-bribery law is now aggressively enforced. *Inc*, August 1: 48-49.

Session #5

Topics: Legal issues for the entrepreneur
International Entrepreneurship
Entrepreneurship Book Presentations

Assignments: Cases: Peter Welz (A)(B) – Negotiation
TA Energy (Turkey) – International Partnerships
Bert Twaalfhoven: A Global Entrepreneur
Entrepreneurship, Ch. 6

Articles from the *Readings* packet on Legal Issues:

- Akst, D. (2007). Breakup blues: Protecting your business if you (or your kids) get divorced. *Inc*, June 1: 37-38.
- Gill, D. (2007). When good deals go bad: how to renegotiate a contract. *Inc*, November 1: 33-34.
- Grant, E. A. (2007). Passing it on: Using life insurance as an estate planning tool. *Inc*, October 1: 47-49.

Articles from the *Readings* packet on International Entrepreneurship:

- Fletcher, D. (2004). International entrepreneurship and the small business. *Entrepreneurship and Regional Development*, 16 (4): 289-305.
- Hutchinson, K., B. Quinn, and N. Alexander. (2005). The internationalization of small to medium-sized retail companies: Towards a conceptual framework. *Journal of Marketing Management*, 21 (1, 2): 1.
- Retail heaven in a half-pipe: How SMEs can internationalize too. (2007). *Strategic Direction*, 23 (1): 16-18.

Session #6

Topics: Social Entrepreneurship – An overview of managing an enterprise with both social and financial purposes. This session offers insights into how social value is created and measured, and of the various models and approaches that entrepreneurs use to create ‘blended value’ that acknowledges both social and financial returns, in organizations large or small, for-profit or non-profit. This session emphasizes business models that improve social conditions, and socially-oriented organizations that create economic value.

Entrepreneurship Book Presentations

Assignments: Cases: Freeplay Energy Group (A)
Homeboy Industries
Building a Better Mousetrap

Articles from the *Readings* packet on Social Entrepreneurship:

- Austin, J., H. Stevenson, and J. Wei-Skillern. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, 30 (1): 1-22.
- Baron, D. P. (2007). Corporate Social Responsibility and Social Entrepreneurship. *Journal of Economics & Management Strategy*, 16: 683
- Egawhary, E. (2007). Social enterprise's crowning glory. *New Statesman*, 136 (4845): 28-29.
- Marks, A. (2007). Conscience is their guide. *Crain's New York Business*, 23 (28): 15.
- Seelos, Christian, and Johanna Mair. (2005). Social Entrepreneurship: Creating New Business Models to Serve the Poor. *Business Horizons*, 48 (3): 241.
- Vega, G., and R. E. Kidwell. (2007). Toward a typology of new venture creators: similarities and contrasts between business and social entrepreneurs. *New England Journal of Entrepreneurship*, 10 (2): 15-28.

Session #7

Topics: Corporate Entrepreneurship – Intrapreneurship as the process by which teams within an established company conceive, foster, launch and manage a new business that is distinct from the parent company but that leverages the parent's assets, market position, capabilities, or other resources.

Entrepreneurship Book Presentations

FINAL EXAMINATION -- Covers assigned readings, and all lecture materials, but not case material per se.

Assignments: Case: Wawa; *Entrepreneurship*, Ch. 3
Case: NAPECOR's Risk Management Venture

Articles from the *Readings* packet on the Corporate Entrepreneurship:

- Henley, L. G. (2007). Extending innovation boundaries: Corporate venture capital gives large firms a strategic option. *The Journal of Business Strategy*, 28: 36-43.
- Kenney, M., and B. G. Mujtaba. (2007). Understanding corporate entrepreneurship and development: A practitioner view. *Journal of Applied Management and Entrepreneurship*, 12: 73-88.
- Pattison, K. (2007). Wal-Mart loved Organic Valley's milk: So why cut off the flow? *Inc*, July 1: 50-53.
- Wolcott, R. C., and M. J. Lippitz. (2007). The four models of corporate entrepreneurship. *MIT Sloan Management Review*, 49: 75-82.

PAPER FORMAT

Type your paper *single-spaced* on plain white bond; double-space between paragraphs and before headings and subheadings.

-- No cover; place your name only in the upper right corner of page 1 of your paper.

-- Plus: graphs, figures, tables, models and/or flow charts that highlight key parts of the paper.
Make sure that key observations on these items are discussed in the text of the paper.

Put a title on your paper! Use headings and subheadings – average of one per page.

Support every major contention with appropriately evidence. Data is best, clear examples are good, name-dropping is rarely acceptable. Dig for insights. Every paragraph should contain a number!

Include lots of recent statistics. Show trends. Forecast data is great. Make the paper realistic.

Put the source of each exhibit, table, figure, chart, and graph at the bottom of its page.

Quotes are to be very few, but reference EVERY MAJOR IDEA that you take from anyone. Use multiple references on major ideas. Limit the number of references to any one source to three.

Academic journals, business print magazines, and major newspapers are appropriate. Do not use textbooks.

If you reference an article that you found online, track down the printed version to complete the reference. If you use data published by a company on itself, the online source is acceptable. The trick is to know if the online source is verifiable – if it is then use it, if not, then find another.

Lengthy extractions of others' works are to be avoided. Using one short paragraph of any particular person's ideas, properly referenced, is the limit. Set quotes apart by indenting the material .07" from both side margins.

Plagiarism -- in fact or in impression -- is to be avoided scrupulously! If it can be referenced, then reference it.

Use Times New Roman 12 font, 1" margins on both four sides. Left justify with a ½" indent from the margin to begin a new paragraph. Paginate at center bottom of all pages.

Write in the third person plural. Use a professional tone. No abbreviations. Few adjectives. No dramatics. Be a persuasive businessperson not a motivational writer.

Save your work in Word after proofreading and using Grammatic and Spellcheck.

In addition to the paper copy, email me a single file containing the entire paper with all "extras." Do not make the file read-only. Label the file with your last name, one space, and then the topic name.

Required Referencing Style

Citations in the body of your paper must show the author's (s') last name(s), year of publication, and, when quoting, the page number. All publications cited in the text must also be listed alphabetically by first author's last name in the References section at the end of the paper.

For example, a sentence in the paper might read:

The growth in overall industry sales averaged 12 percent per year from 2002 through 2006, but was very uneven as seen in the yellow highlighted section of Table 2 (Pearce and Michael, 2004).

If quoted material is used, the notation must also show the page number from the source from which the quote was taken, e.g., (Pearce and Michael, 2004: 311)

In the Reference section, where all items are listed alphabetically, the citation of an article would appear as:

Pearce, J. A., II, and S. C. Michael. 2004. Marketing Strategies that Make Entrepreneurial Firms Recession-Resistant. *Journal of Business Venturing*, 12 (4): 301-314.

The citation of a book would appear as:

DeKluyver, C. A., and J. A. Pearce II. 2009. *Strategy: A View from the Top*, 3rd edition. Upper Saddle River, NJ: Prentice Hall, Inc.

Excellent Academic Journals

There are many good business journals that target practicing managers. The following is a list of my favorites:

Business Horizons

Forbes

Harvard Business Review

McKinsey

Sloan Management Review

California Management Review

Fortune

Long Range Planning

Organization Dynamics

EMBA Entrepreneurship Book List – 24 books from the business press
(The descriptions were excerpted from work by various authors provided online by Amazon.com)

Baird, M. L. 2003. *Engineering your start-up: A guide for the high-tech entrepreneur.*

Highlights include:

- The Term Sheet: A Practical Overview demystifies the structure and terms of venture financing, an all-important event in the life of most successful start-ups that is familiar ground to professional investors but unfamiliar and threatening to many entrepreneurs
- Protecting Your Intellectual Property covers the major types of intellectual property protection (copyrights, patents, trade secrets, and trademarks)
- The Legal Form of Your Start-Up discusses the various choices for your start-up and how to decide which is best for you
- Updated Business Plan Information: The latest advice on researching and writing your business plan, finding money, plus tips on creating a compelling "elevator pitch"; the latest views on company valuation and exit strategies; updates on legal and accounting matters, including stock options and other forms of compensation.

Bhide, Amar. 2003. *The Origin and Evolution of New Businesses.*

Bhide cautions the reader that this is not a how-to book on the popular subject of entrepreneurship; rather, it looks at entrepreneurs mainly from an economic point of view. His work represents systematic research about starting and growing a new business, and Bhide contends this approach is unique in the field. The book examines the nature of the opportunities that entrepreneurs pursue, problems and tasks they face, traits and skills they require, and the social and economic contributions they make; and then compares those realities with features of large, established companies. Entrepreneurs pursue opportunities with different levels of uncertainty, investment requirements, and likely profit. They survive and prosper because of an ongoing ability to adapt to opportunities and problems, are subjected to many detours, and stumble often along the way.

Bhide, Amar, William Sahlman, James Stancil, and Arthur Rock. 1999. *Harvard Business Review on Entrepreneurship.*

Beginning with the basics of writing a business plan, this wide-ranging resource moves on to cover sophisticated topics such as how to navigate the world of venture capital funding and strategies for turning technological innovations into successful marketplace realities. *Harvard Business Review on Entrepreneurship* offers valuable insights for all types of business pioneers.

Blank, Steven G. 2005. *Four Steps to the Epiphany.*

The essential "how to" book for anyone bringing a product to market, writing a business plan, marketing plan or sales plan. The authors provide step-by-step strategy of how to successfully organize sales, marketing, and business development for a new product or company. The book offers insight into what makes some startups successful and leaves others selling off their furniture. Packed with concrete examples, the book discusses skills needed to organize sales, marketing, and your business for success.

Bornstein, David. (2007). *How to Change the World: Social Entrepreneurs and the Power of New Ideas*

Social entrepreneurs are bringing innovative, and successful, grass-roots approaches to a wide variety of social and economic problems, from rural poverty in India to discrimination against gypsies in Central Europe; from industrial pollution in the United States to child prostitution in Thailand. Like business entrepreneurs, social entrepreneurs are creative, driven, and adventurous. They embrace change, exploit new opportunities, and think big. Bornstein provides vivid profiles of many such individuals, looking at the personalities, strategies, and techniques they have in common. The case studies in the book include Jody Williams, who won the Nobel Peace Prize for the international campaign against landmines she ran by e-mail from her Vermont home; Roberto Baggio, a 31-year old Brazilian who has established eighty computer schools in the slums of Brazil; and Diana Propper, who has used investment banking techniques to make American corporations responsive to environmental dangers.

Brown, S. L., and Eisenhardt, K. M. 1998. *Competing on the Edge: Strategy as structured chaos*.

Organizations that are predictably unpredictable are leaders not because of their ability to predict the course of their markets; rather, these companies have learned to embrace the notion of change. They are successful because they have learned to find that edge between structure and chaos that allows them to be innovative and creative, while maintaining just enough discipline to focus on executing a plan. The authors contend that competing on the edge is not an efficient or predictable way to do business. Instead, it is learning how to adapt and lead in a business environment that is in a constant state of flux. "The underlying insight behind competing on the edge is that strategy is the result of a firm's organizing to change constantly and letting a semi-coherent strategic direction emerge from that organization. In other words, it is about combining the two parts of strategy by simultaneously addressing where you want to go and how you are going to get there."

Christensen, Clayton M. 1997. *The Innovator's Dilemma*.

What do the Honda Supercub, Intel's 8088 processor, and hydraulic excavators have in common? They are all examples of disruptive technologies that helped to redefine the competitive landscape of their respective markets. These products did not come about as the result of successful companies carrying out sound business practices in established markets. Christensen shows how these and other products cut into the low end of the marketplace and eventually evolved to displace high-end competitors and their reigning technologies. The authors describe how a successful company with established products keeps from being pushed aside by newer, cheaper products that will, over time, get better and become a serious threat. Christensen writes that even the best-managed companies, in spite of their attention to customers and continual investment in new technology, are susceptible to failure no matter what the industry.

Christensen, Clayton M., and Michael Raynor. 2003. *The Innovator's Solution*.

Christensen analyzes the strategies that allow corporations to successfully grow new businesses and outpace the other players in the marketplace. The authors examine the nine business decisions integral to growth, including product development, organizational

structure, financing, and key customer base. They cite such companies as IBM, AT&T, Sony, Microsoft, and others to illustrate their points. They conclude that it is not as important that managers have succeeded with the problem as it is for them to have wrestled with it and developed the skills and intuition for how to meet the challenge successfully the next time around"; they then provide a real-life example of a software company. Similar important strategies give readers insights that they can use in their own workplaces. People looking for quick fixes may find the charts, diagrams and extensive footnotes daunting, but readers familiar with more technical business management tomes will find this one both stimulating and beneficial.

Collins, James C. *Good to Great: Why Some Companies Make the Leap... and Others Don't*.

Collins and his team of researchers began their quest by sorting through a list of 1,435 companies, looking for those that made substantial improvements in their performance over time. They finally settled on 11— including Fannie Mae, Gillette, Walgreens, and Wells Fargo — and discovered common traits that challenged many of the conventional notions of corporate success. Making the transition from good to great does not require a high-profile CEO, the latest technology, innovative change management, or even a fine-tuned business strategy. At the heart of those rare and truly great companies was a corporate culture that rigorously found and promoted disciplined people to think and act in a disciplined manner. Peppered with dozens of stories and examples from the great and not so great.

Collins, James C., and Jerry I. Porras. 2002. *Built to Last: Successful Habits of Visionary Companies*.

This book explores the way good organizations can be turned into ones that produce great, sustained results. To find the keys to greatness, Collins's 21-person research team read and coded 6,000 articles, generated more than 2,000 pages of interview transcripts and created 384 megabytes of computer data in a five-year project. After establishing a definition of a good-to-great transition that involves a 10-year fallow period followed by 15 years of increased profits, Collins's crew combed through every company that has made the Fortune 500 (approximately 1,400) and found 11 that met their criteria, including Walgreens, Kimberly Clark, and Circuit City. At the heart of the findings about these companies' stellar successes is what Collins calls the Hedgehog Concept, a product or service that leads a company to outshine all worldwide competitors, that drives a company's economic engine and that a company is passionate about. While the companies that achieved greatness were all in different industries, each engaged in versions of Collins's strategies. While some of the overall findings are counterintuitive (e.g., the most effective leaders are humble and strong-willed rather than outgoing), many of Collins's perspectives on running a business are amazingly simple and commonsense.

Drucker, Peter F. 1993. *Innovation and Entrepreneurship*.

This is the first book to present innovation and entrepreneurship as a purposeful and systematic discipline that explains and analyzes the challenges and opportunities of America's new entrepreneurial economy. Superbly practical, *Innovation and Entrepreneurship* explains what established businesses, public service institutions, and new ventures need to know and do to succeed in today's economy.

Elkington, John; Pamela Hartigan, and Klaus Schwab. (2008). *The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World*.

Through vivid stories, the authors identify the highly unconventional entrepreneurs who are solving some of the world's most pressing economic, social, and environmental problems. They also show how these pioneers are disrupting existing industries, value chains, and business models – and in the process creating fast-growing markets around the world. By understanding these entrepreneurs' mindsets and strategies, you gain vital insights into future market opportunities for your own organization. Providing a first-hand, on-the-ground look at a new breed of entrepreneur, this book reveals how apparently unreasonable innovators have built their enterprises, how their work will shape risks and opportunities in the coming years, and what tomorrow's leaders can learn from them.

Gerber, Michael E. 1995. *The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It*

Gerber observes that most small businesses are started by "technicians", that is, people who are skilled at something and who enjoy doing that thing. When these technicians strike out on their own, they tend to continue doing the work at which they are skilled, and ignore the overarching aspects of business. Without clear goals and quantification benchmarks, they soon find themselves overworked, understaffed, and eventually broke. Rather than owning a business, they own a job, and they find themselves working for managers who are completely clueless about how to run a business – themselves. The solution, Gerber argues, is for every business owner to balance their business personalities. Every business owner needs to simultaneously be an entrepreneur, a manager, and a technician. The technician is the worker-bee, the one who produces the product. The manager makes sure operations and finances run smoothly and consistently. The entrepreneur formulates the goals, and steers the business in the direction needed to reach those goals.

Godin, Seth. 2005. *Purple Cow: Transform Your Business by Being Remarkable*.

You are either a Purple Cow or you're not. You're either remarkable or invisible. Make your choice. Face it, the checklist of tired 'P's marketers have used for decades to get their product noticed – Pricing, Promotion, Publicity, to name a few – are not working anymore. There is an exceptionally important 'P' that has to be added to the list. It's Purple Cow. Cows, after you've seen one, or two, or ten, are boring. A Purple Cow, though...now that would be something. Purple Cow describes something phenomenal, something counterintuitive and exciting and flat out unbelievable. And it's not a marketing function that you can slap on to your product or service. Purple Cow is inherent. It's built right in, or it's not there. Period. Godin urges you to put a Purple Cow into everything you build, and everything you do, to create something truly noticeable. It is a manifesto for marketers who want to help create products that are worth marketing in the first place.

Godin, Seth, and Malcolm Gladwell. 2001. *Unleashing the Ideavirus*.

Treat a product or service like a human or computer virus, contends online promotion specialist Seth Godin, and it just might become one. In *Unleashing the Ideavirus*, Godin describes ways to set any viable commercial concept loose among those who are most likely to catch it – and then stand aside as these recipients become infected and pass it on to others who might do the same. "The future belongs to marketers who establish a foundation and

process where interested people can market to each other," he writes. "Ignite consumer networks and then get out of the way and let them talk." Godin believes that a solid idea is the best route to success in the new century, but one "that just sits there is worthless". Through the magic of "word of mouse", however, the Internet offers a unique opportunity for interested individuals to transmit ideas quickly and easily to others of like mind. Godin explains in great detail how ideaviruses have been launched by companies such as Napster, Blue Mountain Arts, GeoCities, and Hotmail.

Hamel, Gary. 2000. *Leading the Revolution*.

According to Gary Hamel, the professor-turned-strategy-guru author of *Leading the Revolution*, complacent establishment giants and one-strategy start-ups are on the same side of the fence – the wrong side. Corporate complacency and single-strategy business plans leave no room for what Hamel describes as the key to thriving in today's world of business: a deeply embedded capability for continual, radical innovation. *Leading the Revolution* is an impassioned call for revolutionary activists to shake the foundations of their companies' beliefs and move from a linear age of getting better, smarter, and faster, to a nonlinear age of becoming *different*. Hamel shows that true innovation is the demolition and re-creation of an entire business concept. He illustrates each imperative with examples of real-life corporate rebels, such as John Patrick and David Grossman at IBM, Ken Kutaragi at Sony, and Georges Dupont-Roc at Shell.

Hamel, Gary. 2007. *The Future of Management*.

Hamel advocates that dogma be rooted out and a new future be imagined and invented. To aid managers and leaders on this mission, Hamel offers case studies and measured analysis of management innovators like Google and W.L. Gore (makers of Gore-Tex), then lists lessons that can be drawn from them. He does not gloss over how difficult it will be to reinvent management, comparing the new and needed shift in thinking to Darwin's abandoning creationist traditions and physicists who had to look beyond Newton's clockwork laws to discover quantum mechanics. But the steps needed to make such a profound shift aren't clearly outlined here either. The book serves primarily as an invitation to shed age-old systems and processes and think differently. There's little humor and few punchy catchphrases but its content will likely appeal to managers accustomed to b-school textbooks and tired of gimmicky business evangelism.

Hamel, Gary, and C. K. Prahalad. 1994. *Competing for the Future*.

Winning in business today is not about being number one – it is about who "gets to the future first." In *Competing for the Future*, Hamel and Prahalad urge companies to create their own futures, envision new markets, and reinvent themselves. They caution that complacent managers who get too comfortable in doing things the way they've always done will see their companies fall behind. For instance, the authors consider the battle between IBM and Apple in the 1970s. Entrenched as the leading mainframe-computer maker, IBM failed to see the potential market for personal computers. That left the door wide open for Apple, which envisioned a computer for every man, woman, and child. The authors write, "At worst, laggards follow the path of greatest familiarity. Challengers, on the other hand, follow the path of greatest opportunity, wherever it leads." They argue that business leaders need to be more than "maintenance engineers", worrying only about budget cutting, streamlining, re-

engineering, and other old tactics. Definitely not for dilettantes, *Competing for the Future* is for managers who are serious about getting their companies in front.

Kawasaki, Guy. 2004. *The Art of the Start*.

Kawasaki draws upon his dual background as an evangelist for Apple's Macintosh computer and as a Silicon Valley venture capitalist in this how-to for launching any type of business project. Each chapter begins with "GIST" ("great ideas for starting things"), covering a variety of facets to consider, from identifying your customer base and writing a business plan to establishing partnerships and building brand identity. Mini-chapters zero in on particular jobs that will need doing, while FAQ sections address the questions readers are most likely to have: Kawasaki covers the basics in an effectively casual tone. Much of the advice, however, consists of generic banalities – start your company's name with a letter that comes early in the alphabet, use big type in presentation slides for older businessmen with declining eyesight, and avoid writing e-mails in all capital letters – that can be found in any mediocre guide. Fortunately, Kawasaki does rise to the occasion here and there. He goes into great detail when it comes to raising capital and offers effective methods for sorting through the nonsense associated with interviewing prospective employees.

McGrath, Rita, and Ian MacMillan. 2000. *The Entrepreneurial Mindset*.

The tools, training, and conceptual frameworks that work for business-as-usual can't, and don't, work when your main challenge is to bury old business models and aggressively create completely new ones. To succeed, today's strategists need the thought process and discipline that are second nature to successful entrepreneurs. The book offers a refreshingly practical blueprint for thinking and acting in environments that are fast-paced, rapidly changing, and highly uncertain. It provides both a guide to energizing the organization to find tomorrow's opportunities and a set of entrepreneurial principles you can use personally to transform the arenas in which you compete. Using lessons drawn from leading entrepreneurs and entrepreneurial companies, *The Entrepreneurial Mindset* presents a set of practices for capitalizing on uncertainty and rapid change. The book provides simple but powerful ways to stop acting by the old rules and start thinking with the discipline of habitual entrepreneurs.

Moore, Geoffrey A. 2006. *Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers*.

Targeted at venture capitalists, product managers, and tech marketers, Moore's book identifies a fundamental flaw in the standard high-tech marketing model, which postulates smooth sales growth through a series of well-defined, ever-larger markets. In fact, says Moore, there are really two fundamentally separate phases in the development of any high-tech market: an early phase that builds from a few, highly visible, visionary customers; and a mainstream phase, where the buying decisions fall predominantly to pragmatists.

Transitioning between these two phases is anything but smooth, and confidently assuming that success in the early market will translate into mainstream success is the fatal error that causes so many high-flying start-ups to crash into the chasm. The transition, he notes, is always perilous: typically, the new venture commits significant resources to modifications promised to secure its initial base of early market customers. The venture requires continued growth to support these commitments, growth into the lucrative mainstream markets. But these markets require a very different approach from that of the early visionaries; and if a

company does not attack them properly, it will quickly fall short of projections and find itself in trouble. Moore's book presents specific strategies in marketing.

Moore, Geoffrey A. 2004. *Inside the Tornado: Strategies for Developing, Leveraging, and Surviving Hypergrowth Markets*.

Moore claims that marketing technology-based products is different from marketing standard consumer products. He explores marketing stages through a discussion of the "Technology Adoption Life Cycle", which follows a product from birth to death and suggests a course of action for each phase. He also charts power distribution within a company and the marketplace as these high-tech companies engage in traditional business strategies (i.e., strategic partnerships, competitive advantage, positioning, and organizational leadership). Moore provides examples from high-tech firms such as Hewlett-Packard, Apple, and Pyramid.

Ryan, R. 2002. *Smartups: Lessons from Entrepreneur America Boot Camp for Start-ups*.

Building successful start-ups was never quite as easy as it seemed, and the changing economic climate has raised the stakes, reduced the margin of error. This book teaches would-be entrepreneurs the skills they need to get through the venture capital process with companies that will survive to grow and succeed. In *Smartups*, Ryan focuses on methods he's developed over the years for building a sustainable business that makes money. He emphasizes the importance of testing ideas on customers and making sure that a product offers something new and important. Recognizing a team's key competencies is crucial, Ryan says. He also finds it necessary to take certain steps at the correct stages of a company's inception.

Van de Ven, A.; D. E. Polley, R. Arud, and S. Venkataraman. 2007. *The Innovation Journey*.

The Innovation Journey presents the results of a major longitudinal study that examined the process of innovation from concept to implementation of new technologies, products, processes, and administrative arrangements. Its findings call into question most of the explanations of the innovation process that have been proposed in the past. The Minnesota Innovation Research Program, on which this book is based, involved over 30 researchers who undertook longitudinal studies that tracked the development of 14 diverse innovations in real time and in their natural field settings. Studying its results, the authors find that the innovation journey is neither sequential nor orderly, nor is it a matter of random trial and error; rather it is best characterized as a nonlinear dynamic system. The system consists of a cycle of divergent and convergent activities that may be repeated over time and at different organizational levels if enabling and constraining conditions are present. This divergent-convergent cycle is found to be the underlying dynamic that explains the development of corporate cultures for innovation, learning among innovation team members, leadership behaviors of top managers or investors, building relationships and joint ventures with other organizations, and developing an industrial infrastructure for innovation. Resource investments and organizational structure enable this innovation cycle, while external institutional rules and internal focus draw the boundaries of the journey. The authors conclude with advice for innovation managers and entrepreneurs: learn to "go with the flow", because while they can learn to maneuver through the innovation journey, they cannot control its flow.