

# Teaching Toolkit for Entrepreneurship Education

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## COURSE III: Encouraging Social Entrepreneurship

Freely available  
for download at  
[eee-project.org](http://eee-project.org)



## PREFACE

The present paper introduces the Entrepreneurship Teaching Toolkit which has been developed within the framework of the Embedding Entrepreneurship Education (EEE) Erasmus+ Project funded by the European Union (<https://eee-project.org/>).

The aim of this entrepreneurship teaching program is the development, testing and comparison of innovative teaching methodologies in order to widen the knowledge and improve the skills of graduates and academic staff. The toolkit seeks to promote the involvement of the business sector in educational programs at HEIs (higher education institutions) and wants to support the creation of further student entrepreneurship initiatives in Europe.

The Entrepreneurship Teaching Toolkit is designed and implemented as innovative teaching material, embracing the target groups of lecturers, teachers, instructors, scholars etc. who may use and integrate the Entrepreneurship Teaching Toolkit in their educational courses and programs. A second group which is targeted indirectly are students and individuals interested in the topic of entrepreneurship, including also e.g. start-ups or inventors etc. who may be educated and trained with the help of the Entrepreneurship Teaching Toolkit.

Furthermore, the Entrepreneurship Teaching Toolkit has been designed in such a form to serve individuals coming from very different fields, independently of their already existing skills or previous knowledge base in management, business or entrepreneurship. Individuals having different backgrounds are welcome to make use of the Entrepreneurship Teaching Toolkit, and are invited to be trained in order to acquire solid entrepreneurial competences and/or to further improve them.

A modular approach has been selected for the Entrepreneurship Teaching Toolkit as it does not only support the development of new academic courses, but gives the opportunity to extend existing lectures, courses, etc., by adding and connecting them with specific, single and individually-chosen modules presented in the toolkit.

The toolkit consists of 23 single modules (hereafter also referred as tools) which can be combined in flexible ways in order to create academic courses (combination

of a bundle of modules presented in the toolkit), but also to extend existing courses (using only one or some of the single modules presented in the toolkit).

The structure of the toolkit has been inspired by the EntreComp Framework, initiated and developed by the EU and the European Commission. The EntreComp Framework sees Entrepreneurship as a key competence for lifelong learning and draws out different key competences in entrepreneurship. The modules/tools in the toolkit have been developed accordingly, and assigned to the entrepreneurial competences outlined in the EntreComp Framework.

All of the presented modules focus on entrepreneurship education and introduce different aspects of theoretical, but especially also practical entrepreneurial knowledge. By applying a problem-based approach and fostering university-business collaboration, the involvement of the business sector is promoted. Accordingly, the Entrepreneurship Teaching Toolkit is transferred into interactive learning materials that pursue the successful implementation of student-business projects as a substantial learning outcome.

Moreover, the toolkit includes course material that specifically addresses and highlights the topic of social entrepreneurship with the aim to widen and deepen the knowledge in social entrepreneurship and to foster individuals engaged in entrepreneurial activities following a social purpose.

For this purpose, also three different course options are proposed on how to combine modules in order to establish:

- A basic entrepreneurship course (especially relevant for students with other backgrounds than business or management to get a solid overview and learn basics)
- An advanced entrepreneurship course (relevant e.g. for innovative thinkers or founders in the early stage and others to improve, enhance and deepen entrepreneurial skills and knowledge)
- A social entrepreneurship course (relevant for individuals interested in the social purpose of entrepreneurial activities)

The course materials will be made openly available, enabling external lecturers to implement the courses and tools in their own classrooms. The provided material allows customised creation of student-business and social entrepreneurship courses as open educational resource.

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Finally, we would like to take this opportunity to thank our project partners of the EEE project consortium, Univations (Germany), University of Szeged (Hungary), Canice Consulting (Northern Ireland) and UIIN (Netherlands), as well as our associate partner the La Trobe University in Australia for their support and feedback which has been significant for the development of the Entrepreneurship Teaching Toolkit and was substantial for its finalization.

## COURSE III: Encouraging Social Entrepreneurship

This course deals with the topic of social entrepreneurship which is a sub-discipline within the field of entrepreneurship. This kind of entrepreneurship highlights the social value and the social purpose of entrepreneurial activities and includes different services as e.g. food and water provision, education, medical services etc. for people in need. Thus, the course especially seeks to foster the competence area 'Ideas & Opportunities'.

Target group of this course are first of all individuals with ideas that foster a social purpose, independently of their background or knowledge base. Furthermore, it is also open for individuals interested in the topic of social entrepreneurship in general, and for business students who like to deepen their understandings within the broad area of entrepreneurship in general.

The aim of this course is to:

- encourage students coming from different backgrounds to foster social purposes with entrepreneurial activities
- embed students with a more social entrepreneurial mind-set
- stimulate student engagement with their region by building up knowledge
- promote social entrepreneurship through projects with and for the region

For this purpose, first of all, students get to know the basics and are familiarized with the theoretical model of 'Social Entrepreneurship' and its definitions. In a second step, and to stimulate student engagement within the region, the modules 'National System of Entrepreneurship' and 'Trends and Dilemmas' are introduced. As delivery, again an 'Idea Competition' might be useful in order to encourage and reward explicitly ideas with a social purpose and to promote social entrepreneurship through projects with and for the region. The idea competition may be part of the course or used as delivery framework for the whole course. The module 'Collaboration Game' helps embedding students with a more social entrepreneurial mind-set. It demonstrates how helping each other and working together (with competitors) might actually lead to a better overall outcome, especially relevant in the context of social entrepreneurship activities. The final aim of the course is the development of a 'Business Model Canvas in Social Entrepreneurship' which also builds the evaluation basis for grading.

After the completion of this course students will benefit from a sound and profound knowledge in the ambit of social entrepreneurship. Students will know the difference between entrepreneurship and social entrepreneurship and related models, strategies and processes. Finally, students are also encouraged to develop their own business models which can satisfy an urgent need in

society in general, or in the local region. Accordingly, especially competence area 'Ideas & Opportunities' and the respective competence ethical and sustainable thinking can be strengthened.

| ENCOURAGING SOCIAL ENTREPRENEURSHIP<br>min. 7.5 ECTS |  |   |   |
|--|--|---|---|
| Outline  | Tools  | Description   | Involvement of External Actors  |
| Delivery   | <b>IDEA COMPETITION</b><br><br>max.<br>3 ECTS                                      | This module helps to structure and organize the course in an attractive, flexible and inviting manner (also throughout different departments and faculties possible – university-wide competition)  | <ul style="list-style-type: none"> <li>• Jury members</li> <li>• Presentation about the key elements of a successful participation in an idea competition</li> <li>• Speaking about experiences as successful participants in an idea competition / as a jury member</li> </ul> |
| Interactivity  | <b>COLLABORATION GAME</b><br><br>max.<br>0.25 ECTS                                 | The collaboration game provides students with experiences of fundamental dynamics of teamwork. Students can experience the power of mutual trust and collaboration and learn how a cooperation with competitors can lead to even better results/outcomes. | <ul style="list-style-type: none"> <li>• Role of the observer during the challenge</li> <li>• Discussants in the reflection section after the challenge</li> </ul>  |
| Content  | <b>SOCIAL ENTREPRENEURSHIP</b><br><br>max.<br>1.5 ECTS                             | Target of the tool is to give students an overview and a solid knowledge base on the topic "social entrepreneurship".   | <ul style="list-style-type: none"> <li>• Inviting social entrepreneurs who speak about their experiences in the field of social entrepreneurship</li> </ul>   |
|  | <b>NATIONAL SYSTEM OF ENTREPRENEURSHIP</b><br><br>0.5 ECTS                         | This module will introduce a systemic view on innovation and entrepreneurship and is designed to change the view of the participants from a linear to a more systemic idea of innovation and entrepreneurship.  | <ul style="list-style-type: none"> <li>• External actors can be included in a discussion about the national system of entrepreneurship</li> </ul>   |
|  | <b>TRENDS &amp; DILEMMAS</b><br><br>0.25 ECTS                                      | The aim of this tool is to sensitize students towards the dichotomy of trends and counter trends, and to show them the potential that lies buried in this tension.  | <ul style="list-style-type: none"> <li>• External actors could be involved to speak about their personal experiences with trends and dilemmas</li> </ul>  |
| Outcome  | <b>BUSINESS MODEL CANVAS &amp; SOCIAL ENTREPRENEURSHIP</b><br><br>max.<br>1.5 ECTS | This module introduces a variant of the Business Model Canvas that can be used for social entrepreneurship ideas.   | <ul style="list-style-type: none"> <li>• Inviting social entrepreneurs and have the students explore the business model of their social enterprise.</li> </ul>  |

# Idea Competition

## Overview

The idea competition module consists of two parts. The aim of part one is to give an overview on how an idea competition could look like, how such competition might be structured and organized.

The purpose of part two of this idea competition module is to support students in preparing for a successful participation in an idea competition.

## Entrepreneurial Competences

- Spotting Opportunities
- Creativity
- Vision
- Valuing Ideas
- Self-Awareness & Self-Efficacy
- Motivation & Perseverance
- Taking the Initiative
- Planning & Management
- Working with Others
- Learning through Experience

## Learning Outcomes

Part one the module intends to give helpful input on how to organize an idea competition. Part two of this module provides the students the tools they need to successfully participate in an idea competition and to arouse the students' interest in participating in such a competition.

After the completion of this module students are aware of what is needed to participate successfully in an idea competition. Furthermore, they know how to give a good elevator pitch and are aware of the importance of a good structured business plan.

## Prerequisites

No prior knowledge is required.

## Preparation of the Teacher

### Online

If this module is used in an online or blended learning setting you have to make sure to involve the students in a proper way. Prepare some group work where the students are asked to write a submission for an imaginary idea competition. Make sure to set up a space in your online tool where students can upload their group work. This should be accomplished by a forum or a discussion board to enable discussions between the students and between the students and the teacher.

### Presence

To make your lesson more vivid, provide the students an example of an idea competition's entry form and ask them to fill it out. Alternatively, prepare a group work where the students are asked to write a submission for an imaginary idea competition. It could also be a good experience to organize a small idea competition where some of the students act as jury members and the other students (or groups of students) act as participants in an idea competition and present their idea / product / service.

## Involvement of External Actors

External actors can be involved

- as jury members
- by giving a small presentation about the key elements of a successful participation in an idea competition
- by speaking about their experiences as successful participants in an idea competition or about their experiences as a jury member

## Time

2-3 ECTS.

## Assessment

In a first step, different student groups should develop an idea competition on their own and present it to the class. Afterwards, students should try to fill out the application forms developed by the classmates and present their work and experience to the class.

## Content

### Part 1: How to organize an idea competition

#### 1. Engagement matters

Running an idea competition can be a great instrument to keep people engaged with your business, your brand, your mission etc.

A successful idea competition requires a good planning and execution (see <http://kickpoint.ca/how-to-plan-and-execute-a-successful-social-media-contest/> as well as <http://de.scribd.com/document/106786193/How-to-Organize-Busines-Idea-Competition>).

This chapter will help you to prepare and to run a successful idea competition.

#### 2. Planning

##### 2.1. Outline your goals

At the beginning of the process it is important to outline your goals. Ask yourself what you want to accomplish by launching the idea competition. To know what your goals are will help you to structure the process and will also help you to find out if whether or not the competition was successful.

##### 2.2. Set up the competition

Once the goals have been outlined, it is time to set up the competition. This is the most time-consuming phase in the process, but taking enough time for this will help to get a well-structured and successful idea competition.

The following aspects should be considered:

- Who is the target group of the idea competition?
- Determine the assessment criteria

- An independent jury will evaluate the entrepreneurial ideas according to the following criteria:
- degree of innovation
  - customers' benefit
  - market potential
  - USP
- Make sure that confidentiality is assured for the content of all submissions. There is no charge for entry to the competition. The prizes will be awarded at the discretion of the jury. The jury's decision is final and cannot be contested by legal action.
  - When does the idea competition take place? What other dates, events, holidays etc. may have to be taken into account in order to avoid overlapping to reach as many participants as possible?
  - The start and the end of the submission deadline must be defined. Is the submission deadline sufficient? It is important to schedule the option for a potential extension of the submission deadline already in the planning.
  - When planning the time frame of the idea competition it is important to be aware of the time needed for reviewing the submissions (do not underestimate!). The submissions will be evaluated during the first jury session according to predefined criteria. The ten best submissions take part in the second phase and will be presented by the participants during the second jury session.
  - Who is on the jury? It is worthwhile if the members of the jury cover a wide range of subjects and topics and if they are practitioners. Make sure that there are enough jury members:
    - jury members for the first jury session
    - jury members for the second jury session
  - Which premises are required for the first and second jury session? (room size, seating, technical equipment, catering etc.)
  - Free presentation training for the ten best finalists has to be organized. The presentation training must take place some days before the second jury session.
  - Creation of the participation forms. Team submissions will also be accepted.
  - **The idea competition is divided into two phases.**
    - **Phase I: submission and evaluation of the ideas**
    - **Phase II: presentation of the ten best ideas in front of a jury.** This is followed by the official announcement of the best ideas during the prize-giving ceremony.
  - **First jury session:**
    - Designation of the jury members.
    - When and where does the first jury meet?
      - date and time (from – to)
      - location

- room (room size, technical equipment, beverages etc.)
- Ensure that the jury members receive all submissions in time and that they are informed about the evaluation criteria and procedure.
- After the end of the first jury session, the results will be communicated to the organizational team.
- **Second jury session:**
  - The organizational team informs the participants of the second round. The participants will be informed about the presentation of their submission at the second jury session. In addition, the participants of the second round are asked to submit their PowerPoint presentation to the organizational team within the day before the second jury session.
  - Time management: Each final round participant will be given ten minutes for the presentation and five minutes for the jury's questions. After the first five presentations, a ten minutes break will take place.
- **Presentation of the best submissions, second jury session and prize-giving ceremony:**
  - Designation of the jury members
  - Small welcome gift for the jury members
  - Preparing the evaluation documents for the jury members:
    - Ensure that the jury members receive the submissions of the second round in time and that all jury members are informed in advance about the evaluation criteria and the evaluation process.
    - overview on the time schedule (i.e. when which submission will be presented)
    - arranging the printed PowerPoint presentations according to the time schedule
    - evaluation sheet for each presentation
  - When and where will the presentation of the submissions and the second jury session take place?
    - date and time (from – to)
    - location
    - room (room size, technical equipment, beverages, catering etc.)
  - Sponsors' invitation to the prize-giving ceremony
  - Who leads through the prize-giving ceremony?
  - Who is responsible for the welcome speech?
  - Who is holding a speech?
  - Who will award the prize?

#### a. Determine the prize

To give an incentive for the participants the organizer of the idea competition has to think about the prizes for the winner or the winners. In the best case the prizes are related to the organizer's company. This is a good opportunity to show what the organizer's business or company has to

offer, to attract people who are genuinely interested in what the business or company of the organizer is doing and to make the brand visible to a wider market.

- Which sponsors can be attracted? Maybe they can be attracted from the organizer's network. Are the sponsors suitable for the idea competition?
- Type of sponsorship:
  - financial sponsors (cash sponsors)
  - in-kind sponsors (companies that offer products or services for free in exchange for a similar level of sponsorship)
  - media sponsors
  - ...

### **b. Prize ideas**

It is important to make sure that the prize is worth the effort it takes to win. The organizer of the idea competition has to think about prizes that are attractive, and which represent an added value for the participants. Here are some examples for prizes:

- use own products
- award money
- provision of free consultation, free trainings etc.
- provision of free participation in selected events, conferences, workshops, summer schools etc.
- voucher
- a unique experience that cannot be purchased
- ...

### **c. Competition length**

The length of the idea competition is a very important aspect when planning the competition. The organizer has to be sure that the competition is not running for too short of time. However, the organizer has to ensure that participants will not lose their interest by running the contest too long.

The length of the competition should correspond to the requirements and to the scope of the idea competition.

### **d. Clarify the rules**

It is very important to make the idea competition very clear and easy to understand. The organizer has to make sure that the competition is well structured, including dates for entry, and all steps the participants have to take. Furthermore, it has to be clear how the winner or the winners will be chosen and contacted. It is important to ensure that confidentiality is guaranteed for the content of all submissions. The organizer should provide information about if there is or if there is not a charge for entry to the competition. In addition, it is important to emphasize that the prizes will be awarded at the discretion of the jury. The jury's decision is final and cannot be contested by legal action.

#### **e. Create the layout**

It is a good advice to add an eye-catching graphic to the idea competition. Use graphics and colours that will be recognizable and which are related to the organizer's company or institution. The creation of the layout includes

- the design and number of posters
- the design and number of flyers
- the design and number of checks for the best five participants
- the design of the participation certificates for all participants

### **3. Promotion**

It is important to make sure that the interested people will know all about the relevant details of the idea competition. A good advice is to make use of all your promotion channels such as your website, newsletter, social media (Facebook, LinkedIn, Twitter etc.) and to ask your followers to share the idea competition with their social network. Furthermore, create flyers and posters to draw attention to the competition.

One of the most important promotion activities is to send an email to the idea competition's target group. It is necessary to consider beforehand when the mailing should be sent out. It is important to schedule a reminder in case the deadline will be extended. If the deadline will be extended, a corresponding mailing must be sent.

### **4. Monitor the idea competition**

Once the idea competition has started, check regularly if everything is going according to your plan. Make sure that you answer any posts, messages and questions interested people may have about the competition.

### **5. Presentations, jury session and prize-giving ceremony**

Each final round participant will be given ten minutes for the presentation and five minutes for the jury's questions. After the first five presentations, a ten minutes break will take place.

After the end of all presentations, the jury will discuss the presentations taking into account the evaluation criteria and determine the winner or the winners. As soon as the result is fixed, the organizational team will be informed and writes the name of the respective prize winner or the winners on the checks for the prize-giving ceremony.

During the prize-giving ceremony the winner or the winners will be announced and awarded.

After the prize-giving ceremony a reception will take place.

The days after the prize-giving ceremony all participants receive a certificate of participation. The prize money will be transferred to the award winner or the winners. The winner or the winners will be publicized on the organizer's website, on the social media channels, in the newsletter, in a press release etc.

## 6. Review

After the idea competition has ended it is time to reflect on the idea competition carried out.

- Was it worth it?
- Did you as organizer of the idea competition accomplish the goals you outlined before launching the idea competition?
- What worked and what do you want to do different next time?
- How can you make your next idea competition even better?

## Part 2: How to participate successfully in an idea competition

In this chapter we want to give you some helpful input on how to participate successfully in an idea competition.

### 1. Selection of the idea competition

The first step is to select the appropriate idea competition with focus on themes and audiences aligned with your idea / product / service etc.

Read the application form very carefully. All idea competitions are different in their purpose, requirements, and target groups. Therefore, it is important that the submission is in line with the goal of the idea competition. It is helpful to have a deeper look on the details of the application form, to look at the submission guidelines, and to stick to them strictly. Furthermore, it is important to be clear about the assessment criteria, the requirements, as well as about the submission deadline. A helpful summary of all these aspects can be found at <https://studentcompetitions.com/posts/5-tips-to-win-business-plan-competitions--3>.

### 2. Filling in the application form

It is essential that you as applicant answer all the questions and that you are aware of what the tendering company or institution is asking for.

An application form might enclose the following questions related to the entrepreneurial idea / product / service and its potential in detail:

- **The entrepreneurial idea / product / service (max. 400 words):**
  - How would you describe your idea / product / service?
  - What was the point of departure / background to the idea / product / service?
  - What is the current status of the proposal (initial idea, design phase, prototype etc.)?
  - What is the driving force behind the idea / product / service for you (and your team)?
  - How do you intend to implement the idea / product / service?
- **Benefits to customers (max. 200 words):**
  - What idea / product / service do you intend to offer?
  - Who are the potential customers for your idea / product / service?
  - Why will customers be interested in your idea / product / service?
  - What fundamental problem or problems will your idea / product / service solve for customers?
  - What are your customers' needs in the context of your idea / product / service?

- **Market potential (max. 200 words):**
  - Can you describe the market / segment in which your idea / product / service will offer benefits?
  - How big is the market / segment?
  - What are today's trends on this market / segment?
  - Is the market / segment growing or shrinking?
- **Competition (max. 200 words):**
  - Who are the players on this market / segment?
  - What competitor products or alternatives are there on the market / segment?
  - What are the key arguments employed by other vendors?
- **Development potential: USP (max. 200 words):**
  - What is the innovative aspect of your entrepreneurial idea / product / service?
  - What is the advantage of your idea / product / service compared to your competitors?
  - Does your idea / product / service have an USP?
  - How big is the information or time gap between you and potential imitators?
- **Development potential: risk (max. 100 words):**
  - What are the greatest risks in the implementation of your idea / product / service?
  - How much time (months / years) and which resources (financial, personnel, equipment etc.) will you need to implement the idea / product / service?
  - What are the next planned / necessary steps?
- **Summary of the entrepreneurial idea / product / service (in one sentence):**
  - Can you formulate the unique nature of your entrepreneurial idea / product / service in a single sentence?

Keep in mind that the first impression counts. This applies not only to persons, but also to application forms and presentations. Therefore: Make your application and presentation stand out from the crowd.

## Business plan

Make sure that your business plan addresses the core subject of your idea / product / service. Ensure that your business plan is realizable and practicable by having all the right numbers and statistics, indicating from which you have obtained them.

Be an expert on your developed idea / product / service, on its market, including potential competitors, and on its future customers. Make sure that your business plan covers all relevant data, figures and information, and that it is well structured, and easy to understand.

The more time you have for writing the business plan the better it is. You should be able to explain your idea / product / service in a clear way, so the members of the jury – maybe not experts in the specific field of your idea / product / service – can easily understand what and how you want to do it.

It is important that you are able to answer questions related to the potential market for your idea / product / service, about competitors, and how you will finance your idea / product / service. If you can present a serious market research by showing the results of a customer survey or of pilot sales programs, the members of the jury would be impressed.

### 3. Presentation

When creating your presentation, please avoid long text blocks and descriptions. Instead, insert interesting pictures, figures, and statements in order to draw attention to essential and important points and explain them in a clear and comprehensive way.

Design your presentation in a way that looks professional, clear, and easy to understand.

Some participants make the mistake to being vague in their presentations and to not having a concrete concept about their idea / product / service. Being concrete and precise about what you are presenting shows that you have thought about the details of your idea / product / service, and that you know and understand what you are talking about.

A helpful summary about how to prepare for a presentation can be found at <http://www.rohit-bhargava.com/2013/07/7-tips-to-win-a-business-competition-or-pitch-contest.html>.

As for the members of the jury it might become almost impossible to remember the details of all presentations, it is the more important to make your presentation stand out from the crowd. You have to capture the audience. This could be achieved by telling a story to underline why your idea / product / service is important and worthy to be realized.

Keep in mind that the buying behaviour of all of us is based on emotion. Only in a second step we justify our buying through logic. To deliver a successful presentation it is essential to get your audience to self-identify with your idea / product / service.

## Material

The following example of an application form of an idea competition will show you how an application form could look like.

### Business Idea Sketch

#### ENTRY FORM / DETAILS OF ENTRANT

| DETAILS OF ENTRANT   |               |
|--|---------------|
| <b>Name (contact):</b>   |               |
| <b>Private address:</b><br>street, city, ZIP code, country   |               |
| <b>Telephone:</b>  | <b>Email:</b> |
| <b>Study program: (if the idea competition is organized by a University or a Higher Education Institution)</b> |               |

\* In case of team submissions, please list the names of all participants on the last page.

| TITLE OF THE ENTREPRENEURIAL IDEA |
|-----------------------------------|
| <b>Title:</b>                     |

#### THE ENTREPRENEURIAL IDEA AND ITS POTENTIAL IN DETAIL

| THE ENTREPRENEURIAL IDEA (max. 400 WORDS)   |
|---|
| <b>Questions:</b> <ul style="list-style-type: none"> <li>• How would you describe your entrepreneurial idea?</li> <li>• What was the point of departure / background to the idea?</li> <li>• What is the current status of the proposal (initial idea, design phase, prototype, etc.)?</li> </ul> |

- What is the driving force behind the idea for you or the team?
- How do you intend to implement the idea?

### **BENEFITS TO CUSTOMERS (max. 200 WORDS)**

#### **Questions:**

- What product or service do you intend to offer?
- Who are the potential customers for your product / service?
- Why will customers be interested in your product / idea?
- What fundamental problem will your product / service solve for customers?
- What are your customers' needs in the context of your product / service?

### **MARKET POTENTIAL (max. 200 WORDS)**

#### **Questions:**

- Can you describe the market / segment in which your product / service will offer benefits?
- How big is this market / segment?
- What are today's trends on this market / segment?
- Is this market / segment growing or shrinking?

### **COMPETITION (max. 200 WORDS)**

#### **Questions:**

- Who are the players on this market / segment?
- What competitive products or alternatives are there on the market?
- What are the key arguments employed by other vendors?

**DEVELOPMENT POTENTIAL: USP (max. 200 WORDS)****Questions:**

- What is the innovative aspect of your entrepreneurial idea?
- What is the advantage of your product /service compared to your competitors?
- Does your idea have an USP?
- How much of a knowhow and time advantage do you have over imitators?

**DEVELOPMENT POTENTIAL: RISKS (max. 100 WORDS)****Questions:**

- What are the greatest risks in the implementation of your idea?
- How much time (months / years) and what resources (financial, personnel, equipment, etc.) will you need to implement the idea?
- What are the next planned / necessary steps?

**SUMMARY OF THE ENTREPRENEURIAL IDEA (1 SENTENCE)****Question:**

- Can you formulate the unique nature of your entrepreneurial idea in a single sentence?

**DETAILS OF TEAM MEMBERS****Name:**

|  |               |
|--|---------------|
| <b>Private address:</b><br>street, city, ZIP code, country   |               |
| <b>Telephone:</b>  | <b>Email:</b> |
| <b>Study program: (if the idea competition is organized by a University or a Higher Education Institution)</b> |               |

## Useful literature and helpful links

The following list contains helpful links for a successful idea competition.

- 8 tips to successfully deal with competitors: <https://talentgarden.org/en/2017/02/06/8-suggerimenti-per-affrontare-i-tuoi-competitor-al-meglio/>
- General overview on entrepreneurship, social innovation, generating an idea, strategy etc.: [http://www.fox.temple.edu/cms\\_research/institutes-and-centers/innovation-entrepreneurship-institute/startup-services/resources/](http://www.fox.temple.edu/cms_research/institutes-and-centers/innovation-entrepreneurship-institute/startup-services/resources/)
- Helpful information on and useful tools for business plans: <http://www.bplans.com/>
- Article on checklists for a business start-up: <http://articles.bplans.com/business-startup-checklist/>
- Article on how to write a business plan: <http://articles.bplans.com/how-to-write-a-business-plan/>
- How to give a good elevator pitch: <http://articles.bplans.com/the-7-key-components-of-a-perfect-elevator-pitch/>
- Video: What is a business plan? <http://www.bplans.com/downloads/one-page-business-pitch-template/>
- 12 things that successfully convert a great idea into reality: <https://www.forbes.com/sites/glennllopis/2013/04/01/12-things-successfully-convert-a-great-idea-into-a-reality/#6add83f64e86>
- A very helpful overview on what a successful business plan should include: Warrington College of Business – University of Florida: The nuts and bolts of great business plans: <http://warrington.ufl.edu/centers/cei/docs/NutsAndBoltsOfGreatBusinessPlans.pdf>

- Archive of podcasts and videos of lectures delivered at Stanford University by entrepreneurs from companies such as Google and Facebook: <http://ecorner.stanford.edu/>
- MagPortal.com: Search directory for finding online magazine articles. This portal helps start-ups by providing access to magazine articles about their product / service and industry of interest. Since January 2016, there are no new articles added: <http://www.magportal.com/>
- European Patent Office: Is your idea a good business opportunity?  
<https://www.epo.org/learning-events/materials/inventors-handbook/competition.html>
- Useful tips for brainstorming: <https://www.mindtools.com/brainstm.html>
- Six reasons to participate in student competitions:  
<https://www.topuniversities.com/blog/six-reasons-participate-student-competitions>
- Helpful tips to understand your competitors (although the website is created by the Chamber of Commerce of Metropolitan Montreal, Canada, the general content is useful regardless where you are from):  
<http://www.infoentrepreneurs.org/en/guides/understand-your-competitors/>
- 10 strategies to be successful in business:  
<https://www.successharbor.com/5-simple-strategies-to-make-your-business-more-successful-08292014/>
- Helpful article on how to write a business plan:  
<http://articles.bplans.com/how-to-write-a-business-plan/>
- 8 common business plan mistakes:  
<http://articles.bplans.com/common-business-plan-mistakes/>
- How to develop your business strategy:  
<http://articles.bplans.com/how-to-develop-your-business-strategy/>
- What business plan do I need?  
<http://articles.bplans.com/what-type-of-business-plan-do-i-need/>
- Business term glossary:  
<http://articles.bplans.com/business-term-glossary/>
- How do you know if you have a good idea for a business?

<http://articles.bplans.com/business-ideas/good-ideas-for-business/>

- Is your business idea feasible?

<http://www.smarta.com/advice/starting-up/business-ideas/is-your-business-idea-feasible/>

- The crucial steps for getting your business off on the right foot:

<https://www.thebalance.com/what-to-do-with-ideas-for-business-1200673>

# Collaboration Game

## Overview

The collaboration game is a team building game and illustrates a Prisoner's Dilemma which demonstrates whether people show cooperative or competitive behaviour in a semi-serious environment.

The collaboration game provides students with experiences of fundamental dynamics of teamwork. Students can experience the power of mutual trust and collaboration and learn how cooperation with competitors can lead to even better results/outcomes.

The collaboration with stakeholders and the mutual trust is a crucial element for every entrepreneur because it is essential in achieving valuable collaborative outcomes.

## Entrepreneurial Competences

- Ethical & Sustainable Thinking
- Self-Awareness & Self-Efficacy
- Financial & Economic Literacy
- Mobilizing Others
- Taking the Initiative
- Planning & Management
- Coping With Uncertainty, Ambiguity & Risk
- Learning Through Experience

## Learning Outcomes

The collaboration game illustrates a Prisoner's Dilemma. The dilemma is that prisoners may confess when they better should not, and that they may fail to confess when they better should do so.

- The collaboration game explores the issues of risk and trust between team members and the effects of trust betrayal.
- The collaboration game demonstrates the effects of competition between teams.

- The collaboration game demonstrates the potential advantages of a collaborative approach to problem solving.
- Purposes have to be established for any activity.

Students should learn how an effective collaboration and cooperation with competitors can lead to better outcomes. In this context students should especially observe and learn about the dynamics of trust and how important a trustful relationship between the cooperating parties is.

## Prerequisites

None.

## Preparation of the Teacher

1. The teacher should get familiar with the game beforehand. Ideally, the teacher plays a pilot round in order to understand the processes.
2. The teacher prepares the room with the required resources (see below).
3. Short introduction and explanation of the game in class. The teacher provides background about the game and the experiencing of a simulation which goes back to an interrogating trick of prisoners (prisoners are separated and one of them is told that the other confessed, and that the best remaining solution is to also confess, otherwise he will be punished with more years because of dishonesty and inadequate cooperation).
4. Important however, is to not yet reveal the objective of the exercise (cooperation).
5. The teacher has to split up class into two teams, e.g. team A and team B.
6. Afterwards each team gets an instruction set (prepared by the teacher beforehand, see examples below) from the teacher and the game starts.
7. The teacher coordinates rounds as well as breaks. He should facilitate a flux of cooperation and competition in the teams to make them feel the emotional rollercoaster. In the plenary discussion teachers can make students reflect upon this moments, connecting them to real life situations.
8. The team with the highest positive score is declared as the winning team from the teacher. The introduction of an incentive is possible and free of choice.
9. The teacher guides the discussion in the plenary review after the game.

## Involvement of External Actors

External actors could get involved through the role of supporters during the game, as well as after the game in the reflection section as discussants. Having an external actor, e.g. businessman, entrepreneur etc. who can highlight and explain the power of trust in collaborations from a practical point of view, talking about real-life happenings will increase the learning effect.

## Time

### Options:

1. As integration in a regular lecture, during class – 0.25 ECTS.
2. As 1-day workshop – 0.25 ECTS.

## Assessment

None.

## Content

Many companies see the advantages of collaboration as gaining new insights, reaching new markets, reducing costs, fighting competitors and increasing profits. Nevertheless, only a minor number of companies really focus on collaboration as a capability, or on the establishment of trust standards that can simplify and accelerate collaboration.

Furthermore, individuals, as well as companies are often more concerned with winning than achieving the optimum result, and prefer solo runs therefore. On the other hand, they are also often afraid of cooperating and the risk it involves.

Indeed, trust in business is a complex issue as it is an interplay of different factors as integrity (honesty, ethics), competences (intelligence, capabilities), commitment and perceptions (instincts, fears) and costs efforts. When collaborating in practice, trust is often not demanded and neither presumed from the opposite partner. However, research has shown that companies which consider trust as an essential element of collaboration are actually profiting from more fruitful relationships (The Economist Intelligence Unit, 2008).

The objective of the collaboration game is the achievement of a more cooperative behaviour between team members who are pursuing shared goals. Following this, the game illustrates a Prisoner's Dilemma which demonstrates whether people show cooperative behaviour (win-win) or selfish and competitive behaviour (win-lose) in a situation which offers the possibility of both.

In the game, the actual behaviour is compared with the expressed intentions of participants. Hence, if one team follows a win-win approach it should be equally concerned about the fulfilment of the needs of the other party in any agreement.

## Required Resources

- Max. 16 people, 2 teams and max. 8 per team. If there are more people/students, four groups should be formed, running two rounds. In the first round, teams A&B are players and teams Y&Z observers. In the second round Y&Z are players and A&B observers.
- Venue with enough open space for the two teams to meet separately without interrupting or disrupting each other.
- In the centre of the room two chairs are placed where representatives meet and face each other to negotiate.

## Game Setup

- Two teams, e.g. A and B.
- Teams choose if they want to play either red or blue.
- Scores can be found on score tables which are distributed (shown).
- The game consists of 10 short rounds and teams compete with each other.
- The first 8 rounds have a maximum duration of 3 minutes each.
- Teams can have a conference via team representatives with the opposite team after round 4 (agreement of both teams needed).
- Another conference is possible (max. 3 minutes), after round 8 (agreement of both teams needed).
- Round 9 and 10 score double and have a duration of 5 minutes each.
- The team with the highest positive score is the winner.

## Process

1. Four rounds are played independently without interaction to the other team - just transmission of decisions. Each group decision and score is announced at the end of each round from the teacher.
2. A pause to talk to each other is allowed if both sides want so.
3. Then the next four rounds are played independently.

4. Another pause is possible.
5. Two final rounds where the score counts double.

| GROUP A | GROUP B | SCORE A | SCORE B |
|---------|---------|---------|---------|
| RED     | RED     | +3      | +3      |
| RED     | BLUE    | -6      | +6      |
| BLUE    | RED     | +6      | -6      |
| BLUE    | BLUE    | -3      | -3      |

| ROUND                                   | COLOR PLAYED |   | SCORE |   | CUMULATIVE SCORE |   |
|---|--------------|---|-------|---|------------------|---|
|   | A            | B | A     | B | A                | B |
| 1                                       |              |   |       |   |                  |   |
| 2                                       |              |   |       |   |                  |   |
| 3                                       |              |   |       |   |                  |   |
| 4                                       |              |   |       |   |                  |   |
| <b>CONFERENCE (IF TEAMS BOTH AGREE)</b> |              |   |       |   |                  |   |
| 5                                       |              |   |       |   |                  |   |
| 6                                       |              |   |       |   |                  |   |
| 7                                       |              |   |       |   |                  |   |
| 8                                       |              |   |       |   |                  |   |
| <b>CONFERENCE (IF TEAMS BOTH AGREE)</b> |              |   |       |   |                  |   |
| 9                                       |              |   |       |   |                  |   |
| 10                                      |              |   |       |   |                  |   |
| <b>PLENARY REVIEW</b>                   |              |   |       |   |                  |   |

## Plenary Review

- In a plenary both groups meet and discuss, together with the teacher about their experiences.
- The teacher announces the total points of the teams and the sum of both groups is compared to the maximum possible outcome (72 points).
- The facilitator leads the discussion about trust and the relative merits of collaboration versus competition.

## Questions for the Plenary Review

- Did your attitude to the game change between wanting to win and wanting to collaborate at any point? If yes, when and why?
- Was there a difference in your approach between the first 4 rounds, second 4 rounds and the final 2?
- How did the conferences (break where interaction was possible) went?
- What did you learn about yourself, your team members and the competing team?
- When is it ok to focus on winning, when not? What is the problem with pursuing a winning strategy?
- How did it feel to win? / How did it feel to lose?
- If you would play the game again, what would you do differently?

## References

Martin, N. n.d. *Prisoner's dilemma (aka Reds & Blues)*. WorkshopBank: Denmark. Retrieved from <https://workshopbank.com/prisoners-dilemma>. Accessed: 25 August 2017.

Economist Intelligence Unit. 2008. The role of trust in business collaboration: An economist intelligence unit briefing paper sponsored by Cisco Systems. *The Economist*: New York.

# Social Entrepreneurship

## Overview

The target of the course is to give students an overview of the term “social entrepreneurship” and the differences and characteristics between social entrepreneurship and commercial entrepreneurship. Finally, this module will be supplemented by further literature.

## Entrepreneurial Competences

- Vision
- Ethical & Sustainable Thinking
- Mobilizing Resources
- Financial & Economic Literacy
- Mobilizing Others
- Working with Others

## Learning Outcomes

Once completed this module the students know the characteristics of social entrepreneurship and are aware of the differences between social entrepreneurship and commercial entrepreneurship.

## Prerequisites

Please have a look on the Module about the Business Model Canvas.

## Preparation of the Teacher

The teacher should be familiar with the topic of social entrepreneurship and should use this knowledge to design the lecture and its contents.

To make the lecture more vivid and engaging, the teacher could bring in actual case studies dealing with social entrepreneurship and include interesting and helpful web links in the lecture. An overview of helpful web links including speeches of social entrepreneurs from different fields as well as online lectures on social entrepreneurship can be found at the end of this chapter.

An up-front preparation of students before class with the literature indicated below and the subsequent discussion in class of what has been independently read/prepared at home, might also be a more varied option to structure the lecture (flipped classroom).

## Involvement of External Actors

External actors can be easily involved in this module. We suggest inviting social entrepreneurs who speak about their experiences in the field of social entrepreneurship. These external experts can give helpful input and make the topic of social entrepreneurship more tangible for the students.

## Time

0.5 ECTS to 1.5 ECTS.

## Assessment

Students discuss with lecturers and external experts on the difference between commercial and social entrepreneurship. Furthermore, students should elaborate a presentation on a social entrepreneurship company and discuss their findings within the classroom.

## Content

### The term of social entrepreneurship and its differences to commercial entrepreneurship

Before speaking about social entrepreneurship, we should keep in mind the meaning of the term “entrepreneurship”. Entrepreneurship comprises the identification, evaluation, and exploitation of opportunities (Shane & Venkataraman, 2000, p. 218). Individuals or organizations use opportunities to create new products or services which can be sold at prices higher than the costs of production. This definition of the general term of entrepreneurship implicates that the underlying aim of entrepreneurial activities comprises profit generation that enables entrepreneurs to create prosperity (Certo & Miller, 2008, p. 267).

Social entrepreneurship is a sub-discipline within the field of entrepreneurship as this kind of entrepreneurship “involves the recognition, evaluation, and exploitation of opportunities that result in social value - the basic and long-standing needs of society - as opposed to personal or shareholder wealth” (Certo & Miller, 2008, p. 267). In other words, social entrepreneurship is characterized by an entrepreneurial activity with a social purpose (Martin & Osberg, 2007).

Social entrepreneurs aim to create value for the society, for marginalized groups, for the environment etc. rather than generate profit. Social entrepreneurship wants to fulfil “basic and long-standing needs such as providing food, water, shelter, education, and medical services to those members of society who are in need” (Certo & Miller, 2008, p. 267).

While, in general, the main goal of commercial entrepreneurs is to satisfy customers’ needs, to expand their business and growth, to earn revenue, and to satisfy the shareholders, social entrepreneurs are more focused on having a social mission and creating social value.

The difference between commercial and social entrepreneurship is also evident regarding the performance measurement. Commercial entrepreneurship typically measures performance in terms of financial performance such as return on assets, return on equity etc. (Austin et al., 2006). Financial performance metrics are standardized, so they are comprehensive and clear for entrepreneurs and investors. On the other hand, performance measures for social entrepreneurship are less standardized and thus less tangible (Certo & Miller, 2008, p. 268).

The difference between commercial and social entrepreneurship is also evident when it comes to attract financial resources. Commercial entrepreneurs are still more attractive for business angels and venture capitalists than social entrepreneurs and have more and easier access to capital market to reach economic success (Certo & Miller, 2008, p. 269). The reason for this fact is rather easy, as investors and venture capitalists expect returns and profits from their investments. In contrast to commercial entrepreneurs, people who are active in social entrepreneurship often need the support of donors (Kachlami, 2016, p. 352). Therefore, social entrepreneurs are forced to find funding sources and investors with the main focus on creating social value as opposed to economic value.

A similar situation shows the topic of human resources. Commercial entrepreneurs can attract employees on the basis of financial rewards in form of salary, benefits, stock options, etc. (Certo & Miller, 2008, p. 269). In many cases, social entrepreneurs do not have these possibilities and often have to rely on volunteers and employees for which creating social value is more important than economic profit. Therefore, being a social entrepreneur requires small steps, patience and a long-term and comprehensive view.

But the rise of social entrepreneurship is favoured when commercial entrepreneurship fails to meet social needs (Austin et. at., 2002, p.2). The commercial entrepreneurship’s fail to meet social needs can be an opportunity for social entrepreneurs and can raise their importance and standing.

However, the distinction between social and commercial entrepreneurship is sometimes less sharp. In some businesses there are elements of both (Austin et al., 2006, p. 3).

## The entrepreneurs in-between

There are entrepreneurs that are close to both the business aspects and the social aspects of their enterprise. Such enterprises are characterized by a balance of social and economic acting “that creates both social and economic value” (Chell, 2007, p. 17). These entrepreneurs combine their social contribution with economic return.

## Helpful literature and web links

Social entrepreneurship is a very complex topic. Within this chapter teachers are offered various options for their lectures on social entrepreneurship. The course can be conducted as an online course as well as a flipped classroom. If the course is conducted as an overview course, the amount of ECTS will consist of 0.5 ECTS. If the course will be offered as flipped classroom, the amount of ECTS will consist of 1.5 ECTS.

To provide the best support, the course material includes readings, videos, and helpful web links, including also online lectures on social entrepreneurship.

A further literature list and web links are intended to take a closer look at the topic of social entrepreneurship and to gain a more detailed insight on the different aspects.

A helpful overview on definitions of “social entrepreneur”, “social entrepreneurship”, and “social entrepreneurship organization” can be found at Bacq & Janssen (2011), pp. 397-403:

Bacq, S., & Janssen, F. (2011). The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria. *Entrepreneurship & Regional Development*, 23(5-6), 373-403.

## The following articles give an overview on different aspects of social entrepreneurship:

Abarca, K. M., & Anokhin, S. (2012). Symbiosis or competition? The inter-population dynamics between social and commercial ventures. *Frontiers of Entrepreneurship Research*, 32(19), Article 2.

Bacq, S., Hartog, C., Hoogendoorn, B., & Lepoutre, J. (2011). *Social and commercial entrepreneurship: Exploring individual and organizational characteristics*. EIM Research Reports.

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- Ney, S., Beckmann, M., Graebnitz, D., & Mirkovic, R. (2014). Social entrepreneurs and social change: Tracing impacts of social entrepreneurship through ideas, structures and practices. *International Journal of Entrepreneurial Venturing*, 6(1), 51-68.
- Peredo, A. M., & McLean, M. (2006). Social entrepreneurship: A critical review of the concept. *Journal of World Business*, 41, 56-65.
- Ridley-Duff, R., & Bull, M. (2015). *Understanding social enterprise: Theory and practice*. (2nd ed.). London: Sage Publications.
- Weerawardena, J., & Mort, G. S. (2006). Investigating social entrepreneurship: A multidimensional model. *Journal of World Business* (41), 21-35.
- Williams, C. C., & Nadin, S. (2012). Re-thinking informal entrepreneurship: Commercial or social entrepreneurs? *International Journal of Social Entrepreneurship and Innovation*, 1(3), 295-309.

## Helpful web links:

- The following link offers interesting speeches of social entrepreneurs from different fields:  
<https://www.ted.com/search?q=social+entrepreneurship>
- This link contains articles of *The Guardian* (British daily newspaper) related to social entrepreneurship from all over the world:  
<https://www.theguardian.com/sustainable-business/series/social-entrepreneurs>
- The following link leads to the Global Entrepreneurship Monitor, a leading report of entrepreneurship comprising the entrepreneurial behaviour and attitudes of individuals as well as the national context and how that impacts entrepreneurship. The Global Entrepreneurship Monitor started in 1999 and contains economy profiles from countries around the world:  
<http://www.gemconsortium.org/>
- The following two links show two lectures on social entrepreneurship (part 1 and part 2) held by Matt Nash from Duke University (North Carolina):

Social Entrepreneurship Part 1:

<https://www.coursera.org/learn/grand-challenges/lecture/FNfVK/social-entrepreneurship-part-1>

Social Entrepreneurship Part 2:

<https://www.coursera.org/learn/grand-challenges/lecture/HEIU0/social-entrepreneurship-part-2>

## References

- Austin, J., Stevenson, H., & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: Same, different, or both? *Entrepreneurship Theory and Practice*, 30(1), 1-22.
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- Chell, E. (2007). Social enterprise and entrepreneurship: Towards a convergent theory of the entrepreneurial process. *International Small Business Journal*, 25(1), 5-26. doi:10.1177/0266242607071779
- Kachlami, K. (2016). Social venture creation and the influence of commercial ventures. *Social Enterprise Journal*, 12(3), 347-367. <https://doi.org/10.1108/SEJ-02-2016-0006>

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# National System of Entrepreneurship

## Overview

This module introduces the concept of the National System of Entrepreneurship. For participants in an entrepreneurship course it is important to see that there is a whole ecosystem of actors that are relevant for successful entrepreneurship activities. This module will introduce a systemic view on innovation and entrepreneurship and is designed to change the view of the participants from a linear to a more systemic idea of innovation and entrepreneurship. In particular it is important to understand the idea of the National System of Entrepreneurship to appreciate the involvement of external actors in most of the other modules in the Tool Kit.

## Entrepreneurial Competences

- Mobilizing Resources
- Financial & Economic Literacy
- Mobilizing Others
- Working with Others

## Learning Outcomes

After completing this module can discuss the role of different actors in the National System of Entrepreneurship, they can identify these actors in their national or regional system. The students also know that a systemic view on innovation and entrepreneurship provides them with a good heuristic to assess and understand the performance of the entrepreneurship ecosystem and its actors.

They know the most prominent contributors to the scientific discussion about National Systems of Entrepreneurship.

## Prerequisites

Students should already have an idea about the characteristics of an entrepreneur. They should also see what the motivations for entrepreneurs are and what drives entrepreneurship on the individual level.

## Preparation for the Teacher

This module can be thought of as a conceptual module particularly when the entrepreneurship courses are offered to management or economics students. It can be tailored to be a rather heavy reading course. You might enrich the material below with material that makes the module compatible to any other course in economics or management, particular courses such as economics and management of innovation.

This module can be used in an online, a blended or a presence setting.

## Involvement of External Actors

External actors can be included in the discussion about the national system of entrepreneurship. Ask them about their role, their intention, their motivations and their strategies.

## Time

0.5 ECTS.

## Assessment

You can assign papers from the text below to students or groups of students and have the students summarize these papers. I find it important that students take the material and challenge it with what they know, what they observe and what they think. So, the summary might have to be complemented with a section where students apply their critical thinking skills to the paper they have read.

## Content

### Tasks for the Students: Learn About the National System of Entrepreneurship

This section uses 'you' to address students directly.

To help you understand and appreciate the ideas that are behind the notion of the National System of Entrepreneurship it is helpful to have an understanding of what the systemic notion of *innovation* is all about (see Acs, Audretsch, Lehmann, & Licht, 2016; Acs, Szerb, & Autio, 2015). This is important as innovation is seen as the lifeblood of firms surviving in a competitive market economy (Baumol 2002).

Looking at firms and how the innovate you will certainly observe firms when searching for the origin of innovation, they tend to break away from a previously pursued purely internal orientation

based on the belief that a single firm can possess all the resources required to transform an idea into economic success and rooted in the conviction that the most valuable source of innovation can only be found within the corporate walls. Firms are breaking away from this conviction as more clearly than ever they are recognizing that they have to draw on a wide range of external ideas, component technologies and complementary capabilities for the development and production of their products (e.g. Fagerberg, Mowery, & Nelson, 2005).

Currently we live in a rather dynamic and fragmented technological and economic landscape. Think about all the technological progress that has happened over the last decade or so (see here for a nice presentation with really illustrating charts: <https://ourworldindata.org/technological-progress/>). In this dynamic environment it is virtually impossible for any single firm to keep abreast of all relevant advances that could possibly present a valuable opportunity. And, you might agree that it is vital for firms, that want to come up with new products, new processes, new marketing activities, new organizations or that want to use new materials, it is crucial to know about the current state of the art in sciences and technology, about the latest trends in the target industry and in relevant other industries, and about the most recent changes in customer or consumer preferences. Hence, growth and competitiveness of firms has become contingent on the firm's ability to compose, establish and maintain external interfaces (Nicholls-Nixon & Woo, 2003) which help them to get hold of this important information. Competitiveness depends on firms' ability to choose the right mode of governance (Fey & Birkinshaw, 2005). And it strongly hinges on their skill to effectively link these external interfaces to internal knowledge accumulation and to capability development (Kogut & Zander, 1996).

The activities by which firms do this have recently been labelled 'open innovation practices' (Chesbrough, 2003). Innovations tend to originate from firms that are continuously able to identify and link codified and scientific knowledge with their particular market insight and their specialized, often tacit, problem-solving capabilities within and outside their value chain (Jensen et al., 2007; Danneels, 2002; Hargadon & Sutton, 1997; Katila, 2002; Katila & Ahuja, 2002). This interaction creates external networks for the firms with other actors such as customers, suppliers, universities, research organizations, even competitors with whom firms exchange knowledge and artefacts. These external networks maintained by individual firms and the learning interfaces therein represent the micro-foundations for interactive learning and knowledge development embedded in a larger innovation system (Graf, 2010).

In the mid and late 1980s the attempt to make this increasingly interactive innovation behaviour equally accessible to academics and policy makers led to the introduction of the innovation system concept (Freeman, 1987, 1988; Lundvall, 1988, 1992; Nelson, 1988, 1993). Note here, that we are talking about the *innovation* system. It is a nice anecdote that Lundvall attributes the 'invention' of the innovation system concept to Freeman and Freeman attributes its 'invention' to Lundvall.

The development of this concept echoed both academics' and policy makers' growing dissatisfaction with the linear model of innovation (Sharif, 2006), which, at that time, had already been challenged by Kline and Rosenberg's (1986) chain-linked model. If you have never heard about the linear model of innovation before and if you are not familiar with the chain-linked model, then you might want to read Kline and Rosenberg's (1986) classic piece.

Additionally, the innovation system concept also reflected the emerging inspiration from Nelson and Winter's (1982) evolutionary theory of firms and markets. Put simply, Nelson and Winter showed in a computer simulation model that taking metaphors for evolutionary biology is helpful to describe and analyse the dynamics of change in a market economy.

The concept of the innovation system provided the basis for a more systemic view on the innovation process, as it emphasizes that innovation is an uncertain, disorderly, and complex process (Sharif, 2006), which usually depends on co-development of socio-economic arrangements, new markets, new organizational configurations, and historical conditions (Markard & Truffer, 2008).

Now this is really important: In general, a system comprises a set of components that serve a common end. An innovation system is composed of a multitude of interconnected heterogeneous actors, such as

- firms,
- universities,
- research institutes,
- funding organizations or
- policy making bodies
- etc.

These actors jointly and interactively create, accumulate, and disseminate knowledge, skills, and artefacts. They thereby contribute to the development, the diffusion, and the utilization of innovations and new technologies (e.g. Freeman 1987; Lundvall 1992; Nelson 1993; Kuhlmann, 2001). Based on the demarcation between elements that constitute the system and elements that do not, the literature distinguishes between

- **national** systems of innovation (Lundvall, 1992; Nelson, 1993; Freeman, 1987),
- **sectoral** systems of innovation (Malerba, 2002),
- **technological** systems of innovation (Carlsson, 1995; Callon, 1992), and
- **regional** systems of innovation (Cooke, Gomez Uranga, & Etxebarria, 1997).

However, on the micro level this interaction neither suggests orchestrated activities of all actors in the innovation system to collectively achieve this overall objective, nor does it presuppose that all actors' activities are individually targeted towards the overall goal of the system. Rather, under

certain conditions innovation is an emergent property resulting from multiple micro-level interactions. As a consequence, the innovation system derives its dynamics from the tension and conflict between different actors' motives, approaches, and goals creating the context for Schumpeterian competition on various levels of aggregation such as technologies, products, or firms.

Actors might not even share the same goals. And in cases where they do, they might pursue these goals with different means, producing a heterogeneous set of solutions from which the evolutionary processes in a market can select.

So, now to repeat: the innovation system comprises of a set of heterogeneous actors that contribute to the generation and diffusion of innovations. The idea of the system of entrepreneurship is to take the ideas of the innovation system to the level of the individual.

*"A National System of Entrepreneurship is the dynamic, institutionally embedded interaction by individuals between entrepreneurial attitudes, abilities, and aspirations, which drives the allocation of resources through the creation and operation of new ventures." (Acs, Szerb, & Autio, 2015, p.17).*

For understanding and analysing the entrepreneurship system it is helpful to investigate the three as they are mentioned in the above definition: attitude, ability and aspiration.

## Questions

The aim of these questions is to guide you to an understanding of the system of entrepreneurship around you be it in your national or your regional economy.

1. Read the papers Acs, Szerb, & Autio (2014, 2015) to get an overview over the system of entrepreneurship. Note, the doi at the references below provide you a direct link to the page where the journal hosts the full text versions of the paper.
2. Then start collecting corporate and public actors, institutions, and individuals in your region that are relevant components in the system of entrepreneurship. Describe their role in the system. You might also investigate which one of the three A's are affected by the activities of each one of these elements.

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# Trends and Dilemmas

## Overview

This section builds on the insight that for each trend we can find a counter trend. The aim of this section is to sensitize students towards this dichotomy and to show them the potential that lays buried in this tension.

## Entrepreneurial Competences

- Spotting opportunities
- Creativity
- Vision
- Valuing Ideas
- Ethical & Sustainable Thinking
- Motivation & Perseverance
- Coping With Uncertainty, Ambiguity & Risk

## Learning Outcomes

After having completed this section, students will be aware of the fact that trends and counter trends depend on each other. Students will be able to talk about a couple of these tensions on a rather abstract level but can create ideas how to make use of this tension.

## Prerequisites

Having an understanding of entrepreneurship and an understanding of trends is certainly helpful for completing this module.

## Preparation for the Teacher

Take the dilemmas below and make them available to the students.

## Involvement of External Actors

External actors could be involved to speak about their personal experiences with trends and dilemmas. Ideally, there should be an external actor who tells about how he struggled with the tensions of trends and dilemmas; and the other one about how it was possible to make use of these tensions.

## Time

0.25 ECTS.

## Assessment

You can grade a presentation if you want to include one in this module.

## Content

This section uses 'you' to address students directly.

### Trends and Dilemmas

Usually, there are hundreds of trends such as macro trends and micro trends.

And it seems that for each trend there is a trend pointing into the opposite direction.

On the following pages I illustrate that even for rather abstract trends there is a counter-trend. This generates dilemmas. This generates a tension. And it is precisely this tension between two (or more) developments that can be used for developing novel offerings:

### The trend dilemma: Openness vs. Isolation

#### Openness

Globalization is blurring national, economic and cultural borders. The growth of free trade and the Internet have left more openness in the exchange of goods, knowledge and customs that goes beyond geographical or social boundaries. Private information, images and experiences are made available online, and open collaboration models are expanding the horizons of traditional business models. Innovation processes are continuously reformed into open innovation models. It is increasingly recognized that the value of knowledge increases when sharing it and when combining knowledge originating from different domains.

The radical opening of the world has contributed to the growth of affluence and liberty across the globe expanding to create a new middle class also in emerging economies such as China, India or Brazil.

Only opening our notion of a value chain can supply insights for its reconfiguration to create shared value.

Yet, openness also brings risks. There are increasing fears of uncontrolled migration, the involvement of nation-states in supranational institutions, and the fear of uncontrolled leakage of knowledge creates mutual dependencies and challenges that could lead to the collapse of the entire system.

## Isolation

Protecting oneself against all that is foreign, all that is alien, or all comes from the outside is a basic strategy for survival. Systems such as organizations need boundaries. Take for instance the immune system defends an organism against outside influences, patents and other IPRs safeguard companies' intellectual property and people protect their homes with what is called siege architecture. Competition seems to rely on a notion of isolating a company's core competences.

There are signs of a return to closed systems as a countertrend to the increase openness in the world. In some areas we observe a reduction in tolerance. Fears of the opening of national borders and the growing significance of the supra-national institutions are leading in many parts of the world to a rejection of foreign influences, new protectionism and the creation of various to train and movement. More and more countries are calling for stricter measures to protect national markets, intellectual property and the security of the citizens. Yet, extreme defence mechanisms often become self-destructive. In a biological sense, organisms and in an economic sense, organizations that are completely isolated from their environment will die and vanish. People and organizations without social contact will ultimately perish. Organizations that cannot or are not willing to participate in collaborative networks can easily lose ground and fall behind.

## The dilemma creates opportunities: Stability through symbiosis

The principles of openness and isolation are both becoming increasingly important. With the spread of globalization open systems will take over even more areas of society, research and the economy. Yet as individual companies and states strive for security and competitive advantages protectionist strategies become more widespread. Ultimately, however, both radical isolation and complete openness have negative consequences. Thus, for systems to remain stable in the long term they require protection mechanisms that meet the requirements of an open world. Biology

provides models for this—the immune system has developed strategies based on a balance between openness and isolation. It eliminates dangerous intruders while learning to tolerate harmless foreign influences. Plants, animals and humans can use symbiosis to benefit from the positive effects of foreign entities. The same principles also work in business and politics. What is needed is the creation of intelligent protection mechanisms that can differentiate between the opportunities and risks. Strategies of co-competition can pave the way for such a development. The future is only fit for those who can survive in the competition for markets without the isolating themselves and who can create advantages out of new conditions. This applies to both state strategies for integrating migrants and to new business models to tackle potential threats. This was the case for example when illegal Internet file sharing sites laid the foundation for commercial sales models for digital music.

## The trend dilemma: Reason vs. Emotion

### Reason

Ever since the Enlightenment rational argument has formed the basis of democracy, science, economics and law. Conventional medical science, for example, is based on a model of the body as a molecule machine, and economic theory is founded on the behavioural notion of the *homo economicus*, which assumes that people make purchasing decisions only based on rational consideration, by rationally comparing a range of offers.

Philosophically put rational argumentation provides the security of verifiability and provides protection against arbitrary judgement. As a result, scientific models are being applied to ever-new areas, adding to an increasing quantification of the world around us. We observe this philosophical argument in everyday life. Measurement and quantification is increasing in all areas. The huge popularity of ranking lists for universities, financial products or the quality of life in cities and the frequent uncritical way in which people use search results in the Internet are indicative of the unshaken faith in our ability to measure of the nature of things.

Yet, we are still far from being able to understand complex systems such as the human brain, financial markets or the ecosystem in completely irrational terms: explanatory models based on reason alone often fail to account for the complexity of reality.

### Emotion

Everyday life, politics, business and even science are marked by emotion. Also, fear and euphoria much influence human behaviour and decision-making. Voting outcomes and stock market behaviour alike. Unlike reason, emotions have previously often been excluded from serious potential explanatory components. Yet, as image creation becomes more important for both companies,

products and people, coupled with the risks of emotion driven systems such as stock market or political campaigns, emotions are increasingly becoming the focus of both scientific and business interest.

The dominance of reason is also declining elsewhere: patients also prefer treatments that concentrate more on the spiritual well-being and growing numbers of people are rejecting traditional religions and turning to new forms of spirituality in the search for the meaning of life. Yet, the new weight given to emotions and increase the danger of spontaneous instinct rather than rational consideration or experience, which can finally lead to poor decision-making.

### **The dilemma creates opportunities: Algorithms for emotions**

Both purely rational and purely emotional models have reached their limits. The long-established insight that rational and emotional are equally important is receiving a new post in the 21st-century. Multifactor diseases cannot be understood without including the psyche, politics is based on both rational and emotional decision-making, and despite computerized trading systems the financial markets are more volatile than ever before. This calls for new concepts that combine rational models and emotional approaches as complementary systems and for their use as equal epistemological tools. If apparently irrational behaviour can be rationally explained by including an emotional component, it would one day be possible to predict stock market prices more accurately and it would allow predicting consumer decision more accurately. Politicians could provide a better basis for a political consensus through a better understanding of the emotional and rational elements of voter behaviour. And if emotional intelligence works to make robots more likeable, they would be more socially acceptable there is in areas such as care for the sick and elderly, for example. Interdisciplinary research disciplines such as in neuro-psychology or in neuro-economics are pioneering in this field by contributing to an understanding of the mechanisms of emotional behaviour, which can then be integrated into rationally based theories. Finally, this will lead to better decision-making.

## The trend dilemma: Nature vs. Artifice

### Nature

For millions of years flora and fauna have formed the basis of human civilization. It is important to note that every day the ecosystem ensures continued survival by providing fertile soil or oxygen through photosynthesis. At the same time, it serves as a retreat from the hectic pace of everyday life. Yet, the destruction of the very foundations of our life continues unabatedly as a result of our increasing hunger for resources. With the growing awareness of these dangers comes the renewed realization of the value of nature. Many people have the desire for a world of real and authentic experience.

There is a growing demand for environmentally friendly products and services, take for instance organic produce, plant-based cosmetics, renewable energy or forest kindergartens. Yet, nature is also increasingly being romanticized. Organic food, for example, is not healthier than traditional produce and natural medicine remains helpless when faced with many serious illnesses. But above all natural resources will not be sufficient in the long to meet the needs of the growing global population for food and energy.

### Artifice

Human evolution was only made possible by the use of technology. Tools for hunting and agriculture ensured access to sufficient food supplies, fire allowed us to prepare and finally digest food more quickly and to use this save time more efficiently, in the Industrial Revolution contributed to men's economic roles. Yet with increased levels of technology, more and more activities that were once predominantly nature-based are being replaced by artificial alternatives. Foods, physical appearance and leisure are increasingly becoming products of technological progress. Functional foods, for example, can replace the fruits as a source of vitamins, plastic surgery is superseding natural beauty and recently gaming consoles are replacing the walk in the woods. Yet, this is also leading to a dependence on technology and alienations from the real-world experience.

## The dilemma creates opportunities: Technology saves nature

Technology is increasingly taking over the world and encroaches upon more and more areas of life with intelligent everyday appliances. Society's reaction is mixed. On the one hand technical gadgets are referred to as a blessing for the modern world. On the other hand, a growing section of the population opposes the growing dependence on technology and the danger of for example electromagnetic radiation or nuclear energy, and thus idealize this nature. Yet, in fact the borders between nature and technologies are becoming increasingly blurred. More and more technologies, for example are making the use of nature's blue prints and strategies. Biomimetic methods,

the artificial reproduction genetic material or the environment friendly production of artificial meat from muscle cells could proof of great service to humanity in combating disease or famine. The organic products of the 21st-century will increasingly be grown in the laboratory. Medicine is also discovering nature's potential: sharkskin is already used as a model for germ-free surfaces. And to protect valuable land solar energy may one day be outsourced into space. Thus, with the threat to make sure as the basis for a life, the focus of technology is increasingly shifting towards the development of solutions to save the planet and humankind.

## The trend dilemma: materiality vs virtuality

### Materiality

Since the dawn of humanity material goods have stood for power and security. Think about what we commonly perceive as status symbols: In the developed world status is defined through houses, cars, jewellery or electronic gadgets. They reveal one's social background, dominate the consumer goods market and have formed the basis for economic growth in recent decades. They will also dominate the consumption pattern of the emerging middle class in economies such as China, India and Brazil.

Yet, the system is increasingly reaching its limitations. In the oversaturated affluent society, it is becoming more and more difficult to continually generate demand for new products. At the same time the one-sided focus on consumer goods accelerates the exploitation of natural resources.

A society whose primary concern is materialism also runs the risk of losing its sense of the meaning of life, which – most will agree – is rather immaterial.

### Virtuality

The digital revolution has fundamentally altered our relationship to the material world. Today dating, friendships and shopping increasingly take place in the virtual world. Books, music archives and film libraries are disappearing from the bookshelves in our homes, and can now be reproduced countless times and distributed in digital form in a matter of seconds. Records or books that were once rarities are now freely available online.

This may create the foundation for new business models, but it also leads to a loss of value for material goods.

At the same time the dematerialization of the world allows us to overcome the passing of time: digital information on people or institutions is stored forever in the collective memory of the internet.

Yet, the increasing dynamics of the virtual world might frighten people and accelerate the speed of life beyond what can be captured and digested by human senses.

## **The dilemma creates opportunities: Back to the analogue world**

The virtualization of all areas of life continues unabatedly. The Internet of things is leading to a digitization of the real world in which everyday objects and people are constantly in contact via electronic networks. This leads to a further increase in efficiency and allows for an increasingly precise copy of reality as the amount of data collected grows. Yet with on-going digitization comes a growing risk of alienation between the real and the virtual worlds, with people becoming overwhelmed in an ever larger and faster world of bits and bytes. Maintaining social contacts in online networks does not necessarily lead to more intimacy, and also makes it more difficult to access the true qualities of a person hidden behind a virtual profile.

A society that has no relation to material goods will also lose any sense of their real value. Thus, it is necessary to strengthen physical reality in areas where personal relationships are of central importance in the form of analogue protected zones, similar to nature conservation areas. As impersonal and data-based transactions will no doubt continue to be digitised, more interfaces between the digital and analogue worlds are needed. Virtual environments will have to assume more and more features of the real world and assume the features of real-life experience. Musicians, for example, play their virtual instruments much more intuitively with real switches and dials than with mouse clicks. And in electronic transactions it would be make sense for traders to see the material equivalent in bank notes before they make a payment of a billion-figure sum.

## **The trend dilemma: Scarcity vs. Abundance**

### **Scarcity**

People, companies and states have always had to face the challenge of dealing with scarce resources. For most of human history and even today food, technology and knowledge were unequally distributed throughout the world. Thus, the prerequisites for success were thrift, modesty and above all strategies to overcome shortages. Frankly also the scarcity of resources is an important driver for creativity.

Philosophically put, scarcity of time is the only reason why the question for the meaning in life makes sense.

With increasing efficiency in the production of foodstuffs and consumer goods and with the advent of digital networks, these former shortages have now been overcome in many areas. Now (almost) everyone in industrialized nations has access to food, television and knowledge. Yet, the

increasing consumption of commodities by a growing world population is leading to new short-falls. Basic resources such as clean air, fossil fuels or water, which used to be available in abundance and at low or even no cost in many places, are now becoming increasingly scarce. Customers more than ever cherish corporate efforts to reduce the resource consumption.

## Abundance

With growing affluence around the globe coupled with falling manufacturing costs, now even luxury goods such as cars and haute couture – which used to be status symbols until recently – are widely available. Almost one in two Japanese women wears Louis Vuitton today. The spread of the Internet also leads to new abundance: digital products such as music or film can be reproduced any number of times and are losing value as a result.

As a reaction companies are attempting to create attractive designs for products with ever-changing image campaigns in the hope of maintaining profit margins or to make luxury goods rare once again through strategies to artificially limit supply.

Additionally, the digital age has swamped consumers and business leaders with an abundance of information that can easily be confusing and create an attention allocation problem.

## The dilemma creates opportunities: Redefine Luxury

The availability of scarce and abundant goods is being inverted. Today's luxury goods are becoming standardized mass-produced items, whereas what until recently were seen to be resources that could be taken for granted such as clean air, fossil fuels, arable land or space to live in are becoming increasingly precious. Luxury needs to be redefined. For many people quiet residential areas, radiation-free zones without internet connections and closeness to nature have become the epitome of true luxury. Yet, although this shift in values has taken place in some people's minds, the majority might still see the horsepower of a car as a bigger status symbol than its energy efficiency. What is needed are incentives that anchor tomorrow's scarce goods in society as luxury items. To put it differently, these items have to be perceived as precious and given a price that reflects their real market value. Thus, the costs of electricity, furniture or meat would also include the amount of water that was used for their production. Now research needs to concentrate even more on the substitution, regeneration and sustainable use of basic commodities such as land, air, food, metals, and energy sources. Politicians face the challenge of developing mechanisms that regulate efficient use of the scarce resources of the future while allowing for economic growth. For example, companies should be forced to document and pay the costs of their ecological and social footprint.

## The trend dilemma: Form vs. Content

### Form

We judge people and subjects primarily on the basis of their outward appearance. Good-looking people have better chances on the job market, and beautifully designed products sell at higher prices. This hierarchy of form and people's sense for aesthetics provides simplicity in an increasingly complex world and pushes inner values into the background. In the affluent society, appearance and form have become the new content. Cars, computers, books and food are increasingly judged on the basis of their design, which in turn takes on the status of a product quality itself. Is the same true of people?

Business with plastic surgery and lifestyle drugs such as Botox is booming, and models are replacing intellectuals as opinion-makers. Yet, image without content is reaching its limits. As the discrepancy between outer form and inner value grows, confidence in attractive appearances falls.

## Content

Humans have always wished to understand complex phenomena. As the labour market becomes increasingly specialized, the ability to analytically examine ideas has become a prerequisite for success. In addition to the importance of expert knowledge, the humanist education ideal is also undergoing a renaissance as a source of guidance in the flood of information.

Furthermore, more and more people are rejecting material status symbols such as luxury cars or designer clothes as a reaction against the primacy of appearances and are turning to values such as integrity, honesty and sustainability. Products that are based on authenticity, functionality and ecologic value are experiencing increasing demand. The growing support for non-profit organizations that fight for a 'good cause' is symbolic of a return to an idealistic and meaningful way of life.

Yet, even concepts such as sustainability can often only be made palatable to the public at large if they are suitably 'packaged' and convey an appealing image.

## The dilemma creates opportunities: Appearance needs reality

The primacy of form is as much an illusion as that of content. Products that only focus on appearance at the expense of quality are often not successful in the long term. At the same time those that lack an attractive design often do not sell well. Only if form and content match can we judge the quality of a product by examining its outward appearance. On the one hand the combination of form and content helps us to comprehend multifaceted phenomena by means of clear structures; on the other hand, an attractive form allows us to better understand even highly complex content. Contemporary art is pioneering the trend towards the dissolution of the artificial division between form and content, envisaging possible ways of redefining product marketing and knowledge transfer. The status of consumer goods also has to be increasingly defined via values

such as ethics and sustainability, and commitment to a 'good cause' earns more laurels than individualism. In future luxury cars will be carbon-neutral, mobile phones will gain added value through fair product guidelines and haute couture will be manufactured from decomposable materials. Scientists should package their research results more in attractive language and designs to reach a larger audience. And even politics faces the demanding task of making complex states of affairs comprehensible and attractive to voters.

## The trend dilemma: Complexity vs. Simplicity

### Complexity

Digital connections between people and markets and developments in science and technology cover the globe with an increasingly dense network of stimuli. Progress encourages innovation, improves living standards and creates affluence, but also leads to increased complexity and makes even the simplest everyday decisions into time-consuming and complicated processes. The growing complexity of the sciences and the difficulty of conveying the models they are based on increasingly undermine the rationale of science itself of explaining the world around us. The complexity of business relationships more often than not is beyond the comprehension of individual decision makers. The insight that everything is interconnected may encourage holistic thinking, but the world continues to become a *terra incognita*. The lack of transparency of complex systems heightens the danger of overlooking risks – an apparently objective view of the world increasingly turns out to be subjects. Thus, in line with this complexity, there is also growing insecurity and a desire for clear answers.

## Simplicity

The striving for simplicity is one of humanity's basic strategies. Complex matters have to be simplified in order to be able to make decisions. From an evolutionary perspective, achieving aims with less effort than others is a way of increasing one's chances of survival. By selectively perceiving the world, for example, the brain ensures that not all information is processed, and emotions allow us to ignore unimportant stimuli in difficult situations and to react swiftly. The growing complexity of life strengthens the desire for simplicity, control and order. This has led to booming markets for convenience products and has made online search engines into the most important sources of orientation in the modern world. In politics support is growing for populist parties that simplify a complex world. Yet, reducing complexity always means ignoring key aspects of a problem

### The dilemma creates opportunities: Deliberate Subjectivity

The more complex the world is, the greater is the desire for simplicity – be it in the form of populist election propaganda, convenience products, headlines or ranking lists. Yet simplistic promises can often only be fulfilled in the short term or not at all. Political slogans do not provide any real solutions to complex challenges twitter posts do not create transparency and personalized search engine results only reinforce what we already know. By preselecting data that is purportedly tailored to the user's needs, they provide people not with better and more objective information but lower-quality and more subjective results. There is a growing realization that tools that promise more simplicity and clarity often only supply pseudo-objectivity. Faith in objectivity – the ideal of the knowledge society – is beginning to crumble. As a result, human instincts and emotions are playing a more central role in the search for 'intelligent' filters. Subjectivity, which has fallen into disrepute in an apparently rational age, is being rehabilitated. In the foreseeable future science will remain unable to find models to describe complex systems such as humans, ecosystems or financial markets, thus leaving us no alternative but to accept this state of affairs and to humbly recognize that everything is subjective.

## Question

Analyse a dilemma between a trend and a counter-trend that you observe in your industry or in an industry you know. Maybe you find it helpful to take one of the pairs discussed above. Discuss how this dilemma will change your industry. How does this change the product offerings in your industry? How does this change the processes in your industry? How does this affect the norms in your industry? Or does this not change the industry at all as the actors cannot decide between two equally attractive opportunities presented by the trends? (This may remind you of Buridan's ass or Aristotle's dogs – both starve to death because they cannot decide between two equally attractive heaps of hay – in the case of the ass – and bones – in the case of the dog.)

Develop ideas how you can make use of both developments, how you can bridge the dilemma.

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# Business Model Canvas & Social Entrepreneurship

## Overview

This module introduces a variant of the Business Model Canvas that can be used for social entrepreneurship ideas.

## Entrepreneurial Competences

- Ethical & Sustainable Thinking
- Self-Awareness & Self-Efficacy
- Mobilizing Resources
- Financial & Economic Literacy
- Mobilizing Others
- Taking the Initiative
- Planning & Management
- Coping with Uncertainty, Ambiguity & Risk
- Working with Others
- Learning through Experience

## Learning Outcomes

Upon finalization of this module, students know a business model Canvas for social entrepreneurship. They can discuss the business model of social businesses and analyse the building blocks of the business model.

## Prerequisites

You should have studied the module about the Business Model Canvas.

## Preparation of the Teacher

For group discussion in the classroom and for the discussion of some social enterprise's business model bring A3 copies (or larger) of the canvas to the classroom. Also provide Post-Its for your students.

## Involvement of External Actors

You can include social entrepreneurs and have the students explore the business model of their social enterprise.

## Time

For introducing the Business Model Canvas and its components in the context of social entrepreneurship you can calculate a workload of 0.5 ECTS.

If you want students to use the Business Model Canvas for developing their own ideas with a social purpose, then you can calculate a workload of 1.5 ECTS (including several revisions of the Business Model Canvas).

## Assessment

An assessment is not necessary and depends on how the module is integrated in the curriculum/course/module. If an assessment is requested it could be based on the creation of business models by students (using their own ideas or predefined examples), where students individually submit a business model Canvas for social entrepreneurship.

## Content

This section uses 'you' to address students directly.

You might wonder if a Business Model Canvas introduced already can be used, when you are trying to set up a social enterprise. The answer to this question is yes. Actually, the answer is a two-fold 'yes'.

First, there is a variant of the original Business Model Canvas devised by Osterwalter and Pigneur (2010) that specifically targets social enterprises. This business model canvas can be found at <http://www.socialbusinessmodelcanvas.com>.



| Social Business Model Canvas  |   |   |  |  |
|---|---|---|--|--|
| <p><b>Key Resources</b></p> <p><i>What resources will you need to run your activities? People, finance, access?</i></p>   | <p><b>Key Activities</b></p>  | <p><b>Type of Intervention</b></p> <p><i>What is the format of your intervention? Is it a workshop? A service? A product?</i></p> | <p><b>Segments</b></p>   | <p><b>Value Proposition</b></p> <p>Social Value Proposition</p> <hr/> <p>Impact Measures</p>           |
| <p><b>Partners + Key Stakeholders</b></p> <p><i>Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?</i></p> | <p><i>What programme and non-programme activities will your organisation be carrying out?</i></p> | <p><b>Channels</b></p> <p><i>How are you reaching your beneficiaries and customers?</i></p>                                       | <p>Beneficiary</p> <hr/> <p>Customer</p>                                 | <p><i>How will you show that you are creating social impact?</i></p> <p>Customer Value Proposition</p> |
| <p><b>Cost Structure</b></p> <p><i>What are your biggest expenditure areas? How do they change as you scale up?</i></p>   |   | <p><b>Surplus</b></p> <p><i>Where do you plan to invest your profits?</i></p>   | <p><b>Revenue</b></p> <p><i>Break down your revenue sources by %</i></p> |  |

Inspired by The Business Model Canvas

Social Business Model Canvas  
Source: <http://www.socialbusinessmodelcanvas.com>

You can use this Canvas for your social entrepreneurship idea. You clearly see that there are some differences to the traditional Business Model Canvas. The differences are self-explanatory if you have worked through the Business Model Canvas before.

**Key Resources** What resources will you need to run your activities? People, finance, access?

**Partners and Key Stakeholders** Who are the essential groups you will need to involve to deliver your programme? Do you need special access or permissions?

**Key Activities** What programme and non-programme activities will your organisation be carrying out?

**Cost Structure** What are your biggest expenditure areas? How do they change as you scale up?

**Type of Intervention** What is the format of your intervention? Is it a workshop? A service? A product?

**Channels** How are you reaching your users and customers?

**Surplus** Where do you plan to invest your profits?

**Segments** – Beneficiary: Who benefits from your intervention

**Segments** – Customer: Who are the people or organisations who will pay to address this issue?

**Value Proposition** - How will you show that you are creating social impact? What do your customers want to get out of this initiative?

**Revenue** What are the revenue streams that you are expecting?

The second 'yes' comes from the fact that you can also use the original Business Model Canvas for your social entrepreneurship idea as all important building blocks for a commercial entrepreneurship idea are also important for a social entrepreneurship idea. Here it becomes obvious that the Business Model Canvas is a tool to facilitate your thinking about an entrepreneurial idea and its crucial building blocks.

## References

Osterwalder, A., & Pigneur, Y. (2010). *Business model generation: a handbook for visionaries, game changers, and challengers*. John Wiley & Sons.



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