



## Entrepreneurship development: Role of effective creativity, innovation and challenges

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### Abstract

Over the past decade, the entrepreneurship domain has been considered expanding the areas of corporate entrepreneurship, macro environmental linkages, international entrepreneurship and career alternatives. There was an emerging fragmentation of the field and lack of integration and cultivation of distinctive research routes, and entrepreneurship studies were suffering from content issues, non-rigorous statistical applications, and lack of practical significance. Research in entrepreneurship is exceedingly difficult to do well because of the complex nature of the field. Entrepreneurial activity stems from an imbalance between the potentiality of something new and its realization particularly creating an exploited opportunity where none existed previously, by one or more individuals. Another way of viewing entrepreneurship is to recognize that entrepreneurship is enabled by the existence of something new (innovation) which may have been developed by new ways of looking at old problems (creativity), bringing capability to respond to new or emerging external conditions (environmental change), when championed by one or more invested individuals (the innovator). The change in condition, process, outcome, or relationship which results from the innovation process itself may be either incremental or radical. Incremental changes can result in dramatic changes while radical or revolutionary kinds of innovations can discontinue other innovations. Radical innovations and their exploitation are defined as classically entrepreneurial events.

**Keywords:** Entrepreneurship, Integration, Cultivation, Innovation, Creativity, Exploitation.

### Introduction

No entrepreneur or enterprise, however successful and big, can continue to hold a place of leadership unless it recognizes that modern business operates in a world of galloping change which creates new problems, risk and opportunities and for which they have to mobilize the enterprise's resources before changes make their impact felt. To do successfully, the entrepreneur and enterprise should know where this firm is going and how the firm will get there. This in turn requires a clear definition of the company's business which will enable it to continually adopt operations to the realities of the market place, 'the very corner stone of survival and growth'

Innovation is defined as adding something new to an existing product or process. The key words are adding and existing. The product or process has already been created from scratch and has worked reasonably well. When it is changed so that it works better or fulfils a different need, then there is innovation on what already exists. Innovation is the successful exploitation of new ideas. All innovation begins with creative ideas. Creativity is the starting point for innovation. Creativity is however necessary but not sufficient condition for innovation. Innovation is the implantation of creative inspiration. Looking at the entrepreneurship domain, people in this field should have a mind-set that enables opportunity recognition, and must perceive entrepreneurial activities as both desirable and feasible. Change is generally considered as a precursor for an entrepreneurial event, but while change does appear to be a prerequisite for entrepreneurship, creation of change alone does not ensure forthcoming of entrepreneurial activity. Innovation may be conceptualized as a process or outcome and can be depicted as a problem solving activity. Creativity on a different note is where invention occurs. Entrepreneurship occurs within and without the established organization. It can be either individual entrepreneurship or

corporate entrepreneurship. This can be seen in the actual process where it begins with an environmental change, innovation as a process, innovation as an outcome, and entrepreneurial events. Innovations can be seen as new-to-the-world products, new product lines, or additions to existing product lines. These can also be improvements and revisions of existing products. There is also a repositioning involved in the market and cost reductions which are all if we see in our eyes, have one thing in common the concept of change. Entrepreneurship hence comes from the combination of change, innovation, and creativity. Change involves the aspect of a need for the market, innovation, covers a product or idea that has reached its fruition and solves a problem thus producing a service or product that would sell in the market, while creativity in the context of the paper's definition of entrepreneurship involves correctly using change and innovation in order to execute an entrepreneurial activity. This means products that were creatively positioned in the market, gaining sufficient distribution coverage and support, and creativity in quality to meet customer attributes in order to have a successful customer adoption process.

### Creativity

Everyone has substantial creative ability including you the reader. So you should count yourself and believe it that you are a creative genius. All you need is to be reawakened and be highly committed to creativity. I want you to start thinking now, in the process something new will flow. Explore that something new today and you will be a different personality tomorrow. Creativity is also an attitude, the ability to accept change and newness, willingness to play with ideas and possibilities, a flexibility of outlook, the habit of enjoying the good, while looking for ways to improve it, we are socialized

into accepting only a small number of permissible or normal things.

### The Principles of Creativity

People become more creative when they feel motivated primarily by the interest, satisfaction, and challenge of the situation and not by external pressures; the passion and interest – a person's internal desire to do something unique to show-case himself or herself; the person's sense of challenge, or a drive to crack a problem that no one else has been able to solve. Within every individual, creativity is a function of three components:

1. Expertise
2. Creative thinking skills
3. Motivation.

Creativity is a key component of innovation and instrumental, along with the effective adoption and diffusion of technology, in enhancing an entrepreneurial culture in both new and established businesses. Firm innovation is a strategic imperative for firms in today's ever-changing world and it is critical that firm managers and owners understand the relationships between creativity, innovation and technology. This course focuses on the strategic management of these three elements in the business environment for both new firms and established firms. The fundamental issues underlying this approach to entrepreneurial management are:

- That creativity, innovation and technology are key drivers of organisational competitive advantage
- That building an organisational climate that enhances creativity, innovation and the effective use of technology is a function of external (environmental) and internal (organisational) forces
- That the fostering of such an approach to entrepreneurial management enables small to medium sized firms to compete effectively in today's global markets

### Objectives:

On completing of Creativity, Innovation & Technology, you will be able to:

- Develop and use frameworks and strategies for enabling a supportive environment for creativity and innovation
- Assess and audit the technology capabilities of a business organisation
- Define and solve strategic management problems related to creativity, innovation and corporate technology management
- Research critical factors that impact upon a firm's management of innovation and technology
- Facilitate more creative approaches to achieving business aims

On completing of Creativity, Innovation & Technology, you will be able to demonstrate an understanding of:

- Types of innovation and creativity, as well as barriers to creativity and innovation.
- Frameworks and strategies for enabling a supportive environment for creativity and innovation.
- The links between creativity, innovation and the adoption and diffusion of new technologies.
- The range, scope, and complexity of the issues and problems related to the strategic management of creativity, innovation & technology.

- The innovation pipeline and the commercialisation of technology-based product and services.
- The process of bringing "newness" into an organisation through internal innovation and/or through external strategic alliances.
- A conceptual framework for assessing and auditing the technology capabilities of a business organisation.
- How to define and solve strategic management problems related to creativity, innovation and corporate technology management.
- The importance of technology transfer – i.e. to facilitate the adoption of new technology by the proposed market.
- How creativity, innovation & technology can breach the gap between 'local' and 'global'.

### Innovation

An *innovation* is an idea, practice, or object that is perceived as new. What might seem familiar to some is new to others. Innovations can be material or nonmaterial. The adoption of material innovations brings about changes in social relations, which means that nonmaterial issues arise in the adoption of material innovations. That is, culture changes with changes in material conditions. Understanding relationships among culture, values, existing practices, and political/social/economic relations is a necessary element of technology transfer.

Innovation is the process of bringing the best ideas into reality, which triggers a creative idea, which generates a series of innovative events. Innovation is the creation of new value. Innovation is the process that transforms new ideas into new value- turning an idea into value. You cannot innovate without creativity. Innovation is the process that combines ideas and knowledge into new value. Without innovation an enterprise and what it provides quickly become obsolete. The dictionary defines innovation as the introduction of something new or different. Innovation is the implementation of creative inspiration. The National Innovation Initiative (NII) defines innovation as "the inter-section of invention and insight, leading to the creative of social and economic value" Innovation is "value" – the creation of value adding value to customer's satisfaction- "delighting the customers". Innovation is the basis of all competition advantages, the means of anticipating and meeting customer's needs and the method of utilization of technology

### Characteristics of Innovations

Innovations vary in the extent to which they offer easily observed costs and benefits compared with existing ideas or practices. The key characteristics of an innovation are its:

1. **Relative advantage:** The degree to which the innovation is perceived as better than the idea it supersedes. Relative advantage refers to the extent to which the innovation is more productive, efficient, costs less, or improves in some other manner upon existing practices.
2. **Compatibility:** The degree to which the innovation is perceived as being consistent with existing values, past experiences, and needs of potential adopters. Compatibility is the trump card for all innovations, even those with high relative advantage. An innovation must be considered socially acceptable to be implemented. And

some innovations require much time and discussion before they become socially acceptable.

3. **Complexity:** The degree to which the innovation is perceived as difficult to understand and use.
4. **Trialability:** The degree to which the innovation may be experimented with on a limited basis.
5. **Observability:** The degree to which the results of the innovation are visible to others. Enterprises throughout the world are experiencing what can be legitimately described as a revolution: rising energy and material costs, fierce international competition, new technologies, increasing use of automation and computers. All these are major challenges, which demand a positive response from the entrepreneur and management if the enterprise is to survive and prosper. At a time when finance is expensive, the firm's liquidity is bordering on crisis, the need for creativity, and innovation is more pressing than ever and as competitors fall by the way side, the rewards for successful products and process are greater. The instigation of new development is the responsibility of the enterprises themselves, which, through experience, are aware of the difficulties created when undertaking innovative investments in a period of great uncertainty. Innovation calls for special entrepreneurial and management skills, the cooperation of a committed workforce, finance and a climate which will create the optimum overall conditions to encourage success.

### The Elements of Innovation

Innovation is the successful development of competitive advantage and as such, it is the key to entrepreneurship. The entrepreneurs are the "dreamers", who take hands on responsibility for creating innovation. It is the presence of innovation that distinguishes the entrepreneur from others. Innovation, must therefore, increase competitiveness through efforts aimed at the rejuvenation, renewal, and redefinition of organizations, their markets or industries, if business are to be deemed entrepreneurial. Fiona Fitzpatrick identified the following elements of innovation:

1. **Challenge:** What we are trying to change or accomplish-the "pull"
2. **Customer focus:** Creating value for your customers – the "Push"
3. **Creativity:** Generating and sharing the idea(s)- the "brain"
4. **Communication:** The flow of information and ideas –the "life blood"
5. **Collaboration:** People coming together to work together on the idea(s) - the "heart."
6. **Completion:** Implementing the new idea-the "muscle".
7. **Contemplation;** Learning and sharing lessons lead to higher competency-the "ladder"
8. **Culture:** The playing field of innovation includes:
  - Leadership (sees the possibilities and positions the team for action-the role model)
  - People (diverse groups of radically empowered people innovate-the source of innovation)
  - Basic values (trust and respect define and distinguish an innovative organization-the backbone).

- Innovation values (certain values stoke the fires that make the "impossible" possible-the Spark).
9. **9. Context:** Innovation is shaped by interactions with the world.

### Forms of innovation

In a start-up, the entrepreneur is regarded as the key actor in developing a business idea, marshalling resources, and creating an enterprise to bring a new product or service to the market. In a competitive business environment, the entrepreneur and the enterprise should continue to seek out new opportunities and make the necessary arrangement to convert them into new goods and services. Innovation should, therefore, impregnate the entire enterprise for the creation and invention of competitive edge and relevancy in the market place.

Innovation can take several forms:

- i. Innovation in processes, including changes and improvement to methods. These contribute to increases in productivity. Which lowers cost and helps to increase demand?
- ii. Innovation in products or services. While progressive Innovation is predominant, radical innovation opens up new markets. These lead to increases in effective demand which encourages increases in investment and employment.
- iii. Innovation in management and work organization, and the exploitation of human resources, together with the capacity to anticipate techniques.

Innovation centres on people, culture, structure, process and technology. Innovation is the process through which the entrepreneur converts market opportunities into workable, profitable, and marketable ideas. Innovation is an application of something creative that has a significant impact on an organization, industry or society.

Entrepreneurship is the continuing generation of Innovation in response to perceived opportunities in the business environment. In this approach, entrepreneurship is therefore concerned with newness: new ideas, products, services or combinations of resources aimed at meeting the needs of consumers more efficiently.

Entrepreneurship has been described in terms of the ability to create something from practically nothing. It is initiating and building an enterprise rather than watching one. It is the knack for sensing opportunities where others see chaos, contradiction and confusion. It is the ability to build a "founding team" to complement your own skills and talents. It is known –how to find, marshal and control resources. Finally, it is a willingness to take calculated risk.

### Challenge for Innovation

The place of innovation in commercial success is the development or adoption of new concepts or idea that leads to any form of increased organizational or social benefit. Innovation is vitally concerned with novel approaches, new ideas, and originality, and it the means by which ideas are exploited for competitive advantage. The present economic reform of the Nigerian Government- National Economic Empowerment and Development Strategy (NEEDS) calls for less dependence on imported materials – goods and services and technology. However, if this dependence is to be successfully broken, three activities should receive adequate

priority management attention and the commitment of resources in this century.

1. The need to investigate our latent natural resources for the possibility of transmitting them into goods and services. This would require a scientific analysis of the various resources available in the country, the identification of their properties, and a determination of the extent to which those properties can be harnessed.
2. The need to develop new technology which can be used to process the raw materials which may result from the investigation of natural resources suggested above and with a view to producing goods and services from them.
3. The need to adapt existing technology so as make them accept local materials are substitutes. A complete change from an almost total dependence on foreign research and technology is source of products is called for.

Entrepreneurial success in this century, therefore, depends on the seriousness with which innovative activities are undertaken by the enterprises in terms of indigenizing input sourcing and the development of new indigenous products.

The society in general will benefit tremendously from the individual enterprises undertaking innovative activities rather than leaving such to government agencies. As Max Weber has observed “when innovation is channelled through autonomous competing enterprises, risk is encouraged and the social curse of unsuccessful innovation can be limited. Society can afford to have an enterprise failure, but society cannot afford to have government failure. Government economic planners proceeding by law or fiat have no flexible mechanism comparable to a market in which they can assess the probabilities of any given risk and measure its results”. No enterprise, however diversified or big, can therefore, rest on its oars and past achievements. It becomes imperative for an enterprise to continuously challenge itself to finding new and better ways of doing the old things or in fact create new ways of doing new things. The new environment may therefore call for new product designs, new production techniques, composition and packaging which take cognizance of the dynamic business environment.

Success in business today demands constant innovation. Generating fresh solutions to problems and the ability to inherit

new products or services for a changing market are part of the intellectual capital market that gives an enterprise its competitive edge. In a dynamic environment, success comes from looking for the next opportunity and having the ability to find hidden connections and insights into new products or services, desired by the customer. While brain-power is the most valuable resource, great ideas are in short supply. Successful entrepreneurs place high premium on attracting and keeping talent because wealth flows directly from innovation. Creativity is the root of innovation. It is a process and a skill which can be developed and managed throughout the entire enterprise.

One of the first steps in creating a culture of innovation is unleashing the creativity in you. The challenge is getting to see the world with fresh ideas and to develop fresh solutions. Speed innovating is a proven approach for helping you develop breakthrough solutions in the shortest possible time.

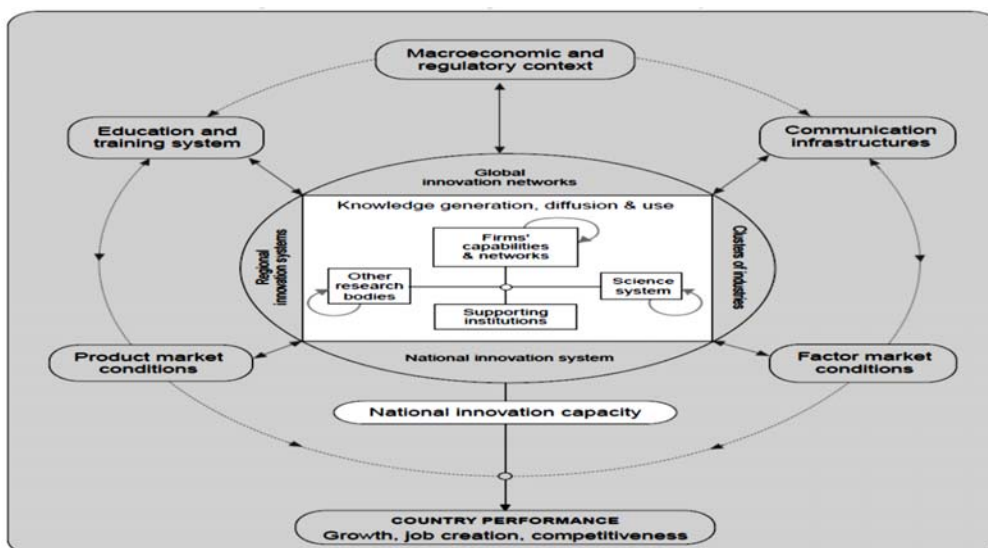
Creative ideas are not enough for your business to survive. You need a process organization and culture that will help you maximize your creative assets. This is innovation capability that helps your pull together the best thinking within your business, enabling you to connect the organization dots. Shapiro argues that perpetual and pervasive innovation is the key to long –term sustainable success in the relentless competition for customers.

To survive any competition, you must rapidly and repeatedly re-invent yourself. The road map to reinvention starts by applying the seven R’s.

1. Rethink your underlying assumptions.
2. Reconfigure how you carry out work.
3. Re-sequence when work takes place
4. Relocate where work is done to cut down on handoffs and delays.
5. Reduce the frequency of carrying our specific activities.
6. Reassign who does the work by asking if anyone else could achieve the same result more effectively and efficiently.

Retool the technology that supports getting the work done. Could new software and automated equipment transform our ways of working?

Actor and linkage in the innovation System



### **Creativity and Innovation in an Entrepreneurial Organization**

Growth and development cannot be sustained without additional innovations (usually in the product or services or in its marketing) with additional innovations, firms become “glamorous” Introducing new products is usually seen as part of the process of innovation, which is itself seen as the engine driving continued growth and development. The “winning performance” of the entrepreneur and the organization focuses on.

- Competing on quality not prices:
- Domination of a market niche;
- Competing in an area of strength
- Having tight financial, and operating controls:
- Frequent product or service innovation (particularly important in manufacturing).

### **Conclusion**

Successful entrepreneurs require an edge derived from some combination of a creative idea and a superior capacity for execution. The entrepreneur’s creativity may involve an innovation product or a process that changes the existing order. Or entrepreneur may have a unique insight about the course or consequence of an external change. Entrepreneurship is the vehicle that drives creativity and innovation. Innovation creates new demand and entrepreneurship brings the innovation to the market. Innovation is the successful development of competitive edge and as such, is the key to entrepreneurship. Creativity and Innovation are at the heart of the spirit of enterprise. It means striving to perform activities differently or to perform different activities to enable the entrepreneur deliver a unique mix of value. Thus the value of creativity and innovation is to provide a gateway for astute entrepreneurship—actively searching for opportunities to do new things, to do existing things in extraordinary ways. Creativity and Innovation therefore, trigger and propel first-rate entrepreneurship in steering organization activities in whatever new directions are dictated by market conditions and customer preferences, thereby delighting the customers to the benefit of the stakeholders. Innovation also means anticipating the needs of the market, offering additional quality or services, organization efficiently, mastering details, and keeping cost under control. No doubt, the current economic environment is a volatile and violent one. The new environment demands renewed dynamism of approach. Creativity and innovation is the new name of the game. Only the discerning organizations can manage the changes inherent in the new environment. It is the duty of the entrepreneur to keep his/her organization lean, young, flexible, and eager for new things to continuously delight the customers, which is the purpose of every business.

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