

**Cambridge Judge Business School**

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# **Welcome to Accelerate Cambridge**

**Simon Stockley**  
Senior Teaching Faculty in Entrepreneurship



**UNIVERSITY OF  
CAMBRIDGE**  
Judge Business School



# The role of entrepreneurship education?

I hear and I forget..

I see and I remember..

I do and I understand!

*Confucius*

# Agenda

## Saturday

10:00 -11:30 Entrepreneurial behaviour

11:30 – 11:45 Break

11:45 – 13:00 Finding and creating opportunities

13:00 – 14:00 Lunch

14:00 – 16:00 Opportunity evaluation and business models

## Sunday

10:00 – 11:30 The entrepreneurial team

11:30 – 11:45 Break

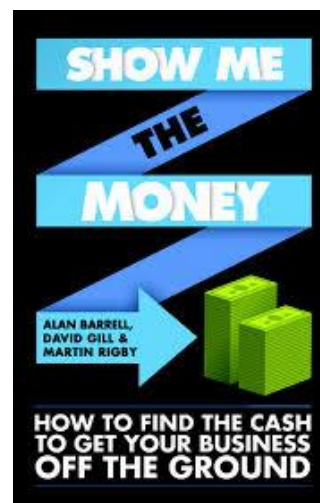
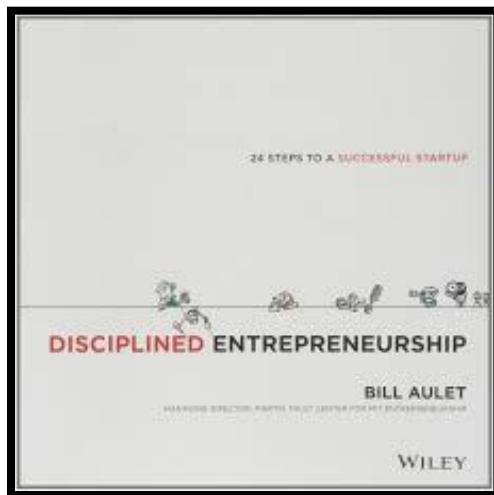
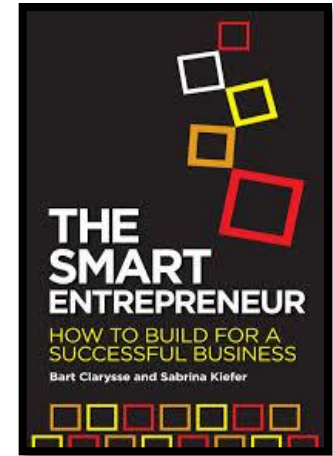
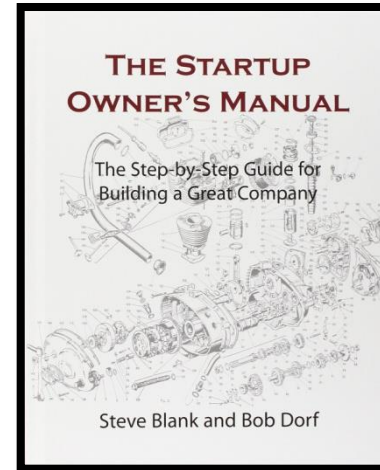
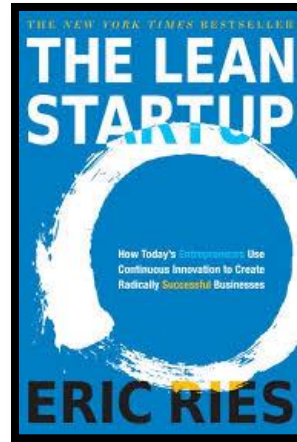
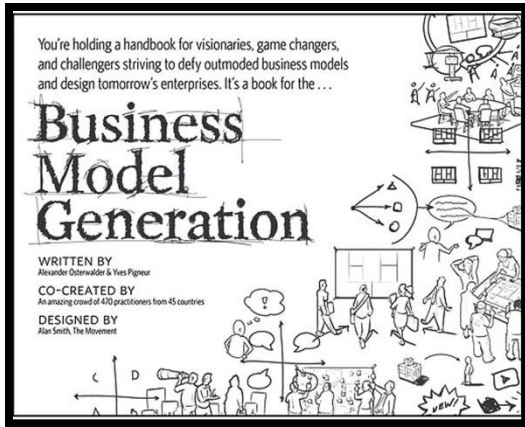
11:45 – 13:00 Raising financial capital

13:00 – 14:00 Lunch

14:00 – 16:00 Raising financial capital



# Recommended reading



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# Entrepreneurial Behaviour

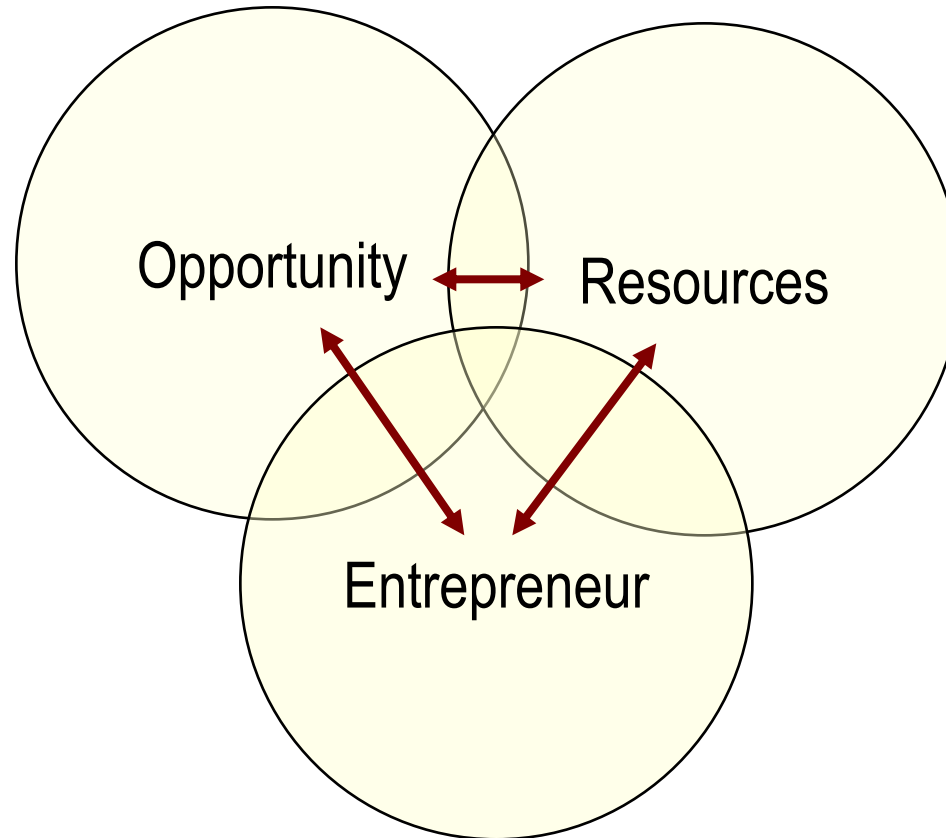
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# The elements of entrepreneurship



# Current thinking

## Entrepreneurship:

*‘The pursuit of opportunity beyond the resources you currently control’*

## Start up:

*‘An organisation in search of a viable business model’*



# The 'rules of the game'?

- Entrepreneurs are *always* with us
- Defined as people who are creative in the maximisation of their utility (wealth, power, prestige, etc.)
- The allocation of entrepreneurial effort is determined by **'the rules of the game'**
- The rules define the **structure of payoffs** in a society -  
The rewards accruing to different types of behaviour vary dramatically
- The rules are a reflection of a society's **underlying value system**
- Entrepreneurial activity can be productive, unproductive or destructive!



William Baumol



# What are 'the rules of the game'?

What do people want?

What gets very well rewarded?

Nature of entrepreneurial activity – how do people seek to maximise their utility?

- UK
- USA
- Denmark
- Russia



# Why are you doing this?

- Security?
- Make the world a better place?
- Get rich – “*have you seen what post-docs earn*”?
- Challenge?
- Fun?
- Patriotic duty...?



If you don't control your own life,  
someone else will control it for you..!

Do I have what  
it takes?

ter one

Can You Be a  
Successful Entrepreneur?

Have You Got What It Takes?

Do you think you've got what it takes to be an entrepreneur?

Answer these questions to see if you're cut out for it.

Can you look at an inkblot that represents a ship and see a ship?

Entrepreneurial tendency test

### Entrepreneurial Aptitude

If you answered all eight correctly, what are you waiting for?

Say goodbye to your boss, fire up your business, and don't look back.

Half right? Start up in your spare time but keep a paycheck coming in. Or find a co-conspirator to help you kick-start your company.

Fewer than four? Keep your day job. Some of us just aren't cut out to be our own boss.

# The demographic approach

*On average, entrepreneurs are:*

- Well educated
- First born
- The product of self-employed parents
- Male
- 30-40 years old
- Beard wearers (!)



# The traits approach

- High need for achievement
- Goal seeking
- Decisive
- Objective
- Internal locus of control
- Need for autonomy
- Tolerate ambiguity
- Deviant/outcast/maverick
- Judgmental
- Action oriented
- Positive mental attitude
- Confident
- Extrovert
- Charismatic
- Tough minded/resilient...



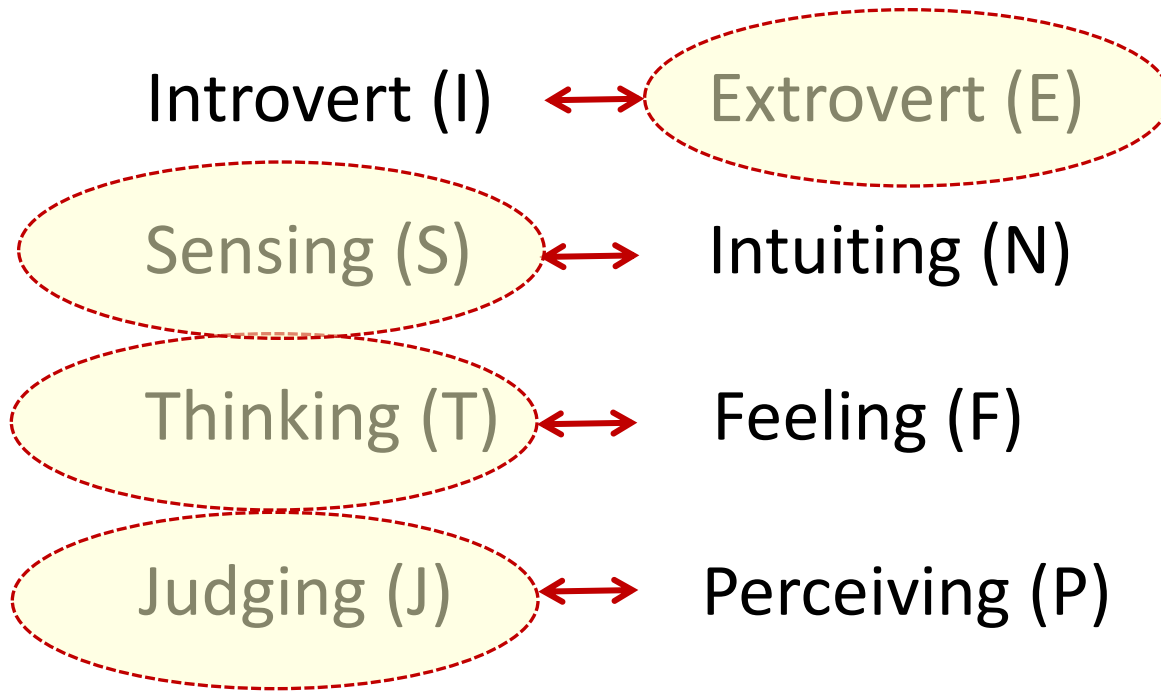
# Desirable attitudes & characteristics

- Opportunity obsession
- Creativity and innovativeness
- Commitment and determination
- Flexibility
- Self reliance
- Ability to listen
- Energy, health and emotional stability
- Leadership qualities
- Raw intelligence
- Passion and a capacity to inspire
- Sound ethical values
- Not being an “A...hole”!



These can be shaped and developed

# The myth of 'the entrepreneurial personality'



*"If you are not an ESTJ you are not an entrepreneurial type....Best stick to your day job"*

# Personality – The Reality

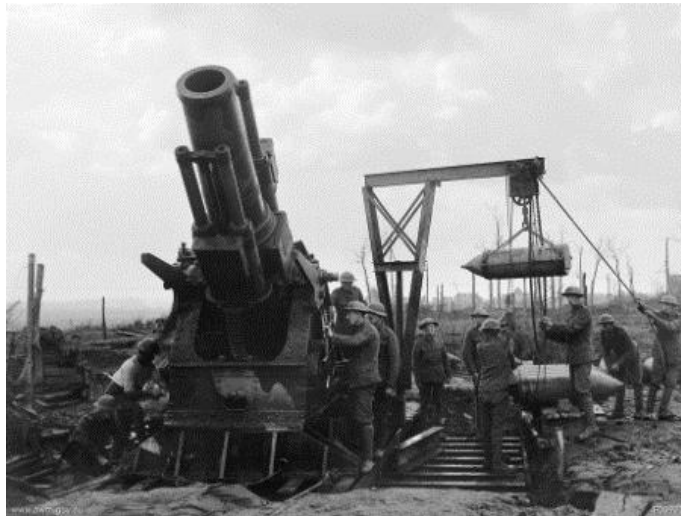
- Personality affects your choice of functional role
- Personality affects your choice of industry domain
- Entrepreneurship is a ‘team sport’ – all personality types have a role!



**There is no single ‘entrepreneurial personality’**



# Traditional vs. Entrepreneurial Management



Slow  
Heavy  
Unguided (dumb)  
Static targets  
Inflexible  
High fixed costs



Quick  
Light  
Guided (smart)  
Moving targets  
Flexible  
Low fixed costs

# Life in a start up

## 'Big Business'

## Entrepreneurial start-up

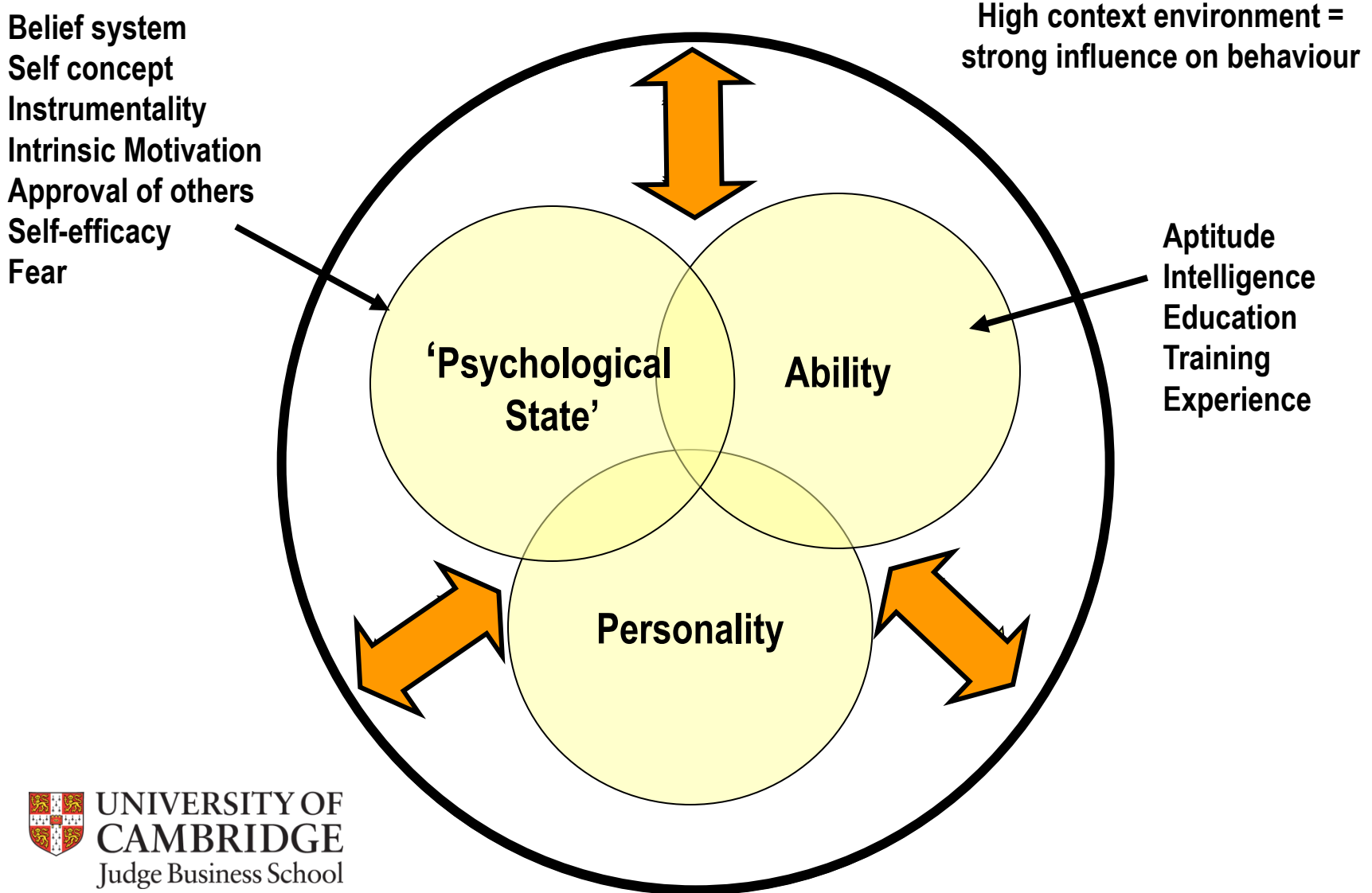
Titles, hierarchy and status	↔	Ability and contribution is all
Procedures for everything	↔	Minimal - Learn as you go
Precedents and heuristics	↔	None – Learn as you go
Planning and budgets	↔	Yes, but constantly changing
Politics and culture	↔	None – You shape the culture
Salary guaranteed	↔	Only paid if results warrant
Well defined job descriptions	↔	Notional, but if the toilet needs cleaning!
Support functions	↔	No safety net – may outsource

# Understanding human behaviour...

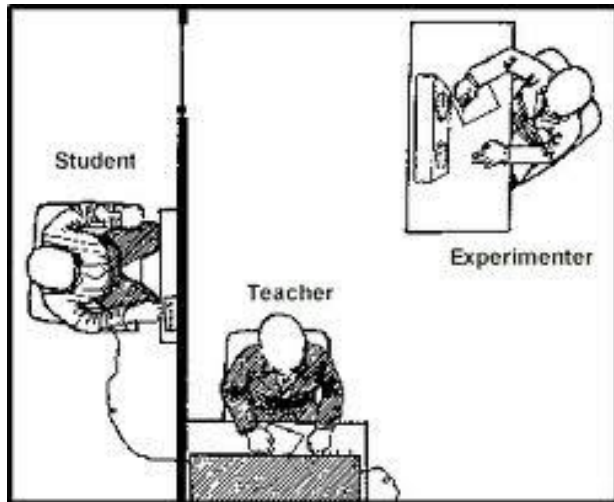


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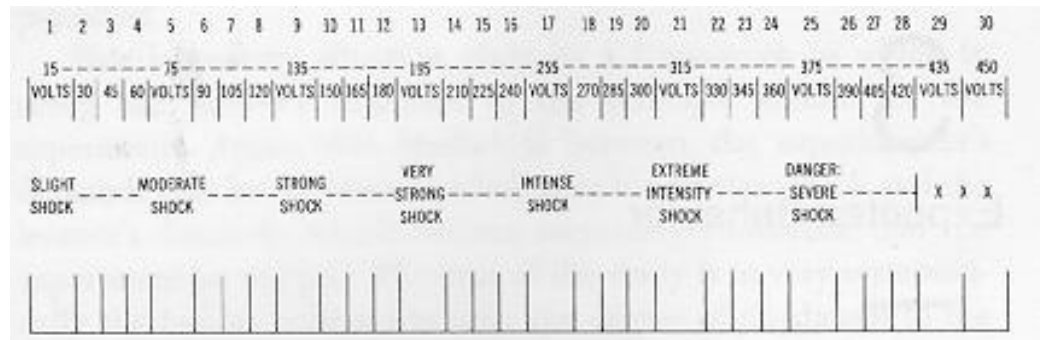
# Behaviour = $f(S,A,P)$ moderated by Context



# The Milgram Experiment



“more hideous crimes have been committed in the name of obedience than have been committed in the name of rebellion”  
(C P Snow)



# Social-cognitive precursors of entrepreneurial behaviour

- **Self concept** – ‘I see myself as an entrepreneurial person’
- **Belief system** – Entrepreneurship is a ‘good thing’
- **Perceived societal norms** – People within my environment approve of entrepreneurial behaviour.
- **Perceived instrumentality** – Displaying entrepreneurial behaviour will help me to achieve my life’s purpose
- **Self efficacy** – I believe that I can succeed as an entrepreneur
- **Intrinsic motivation** – Interest and enjoyment (pull) and/or need (push)



*‘The totality of learned beliefs, attitudes and opinions that each person holds to be true about **their personal existence**’*

**We act in ways that are congruent with our self concept**

Shaped by:

- Upbringing and exposure to environmental influences
- Somatic and emotional states

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Belief that the behaviours associated with entrepreneurship are desirable and legitimate

Your personal attitudes towards:

- wealth
- competition
- risk
- failure

Shaped by our upbringing and exposure to environmental influences

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Perceived societal attitudes towards:

- Entrepreneurial behaviour
- Accumulation of wealth
- Competition
- Risk
- Failure

**Permission given** to act in certain ways

Attitudes and norms exist at numerous levels:

- National
- Religious
- Professional
- Industry
- Firm
- Friends
- Family



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The belief that a particular course of action or behaviour is instrumental in achieving desirable outcomes

**Aided by clarity about your life’s purpose and attendant goals**

Depends crucially on **self-awareness**

Shaped by:

- Prior evidence of instrumentality
- Vicarious experience

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‘A context specific assessment of confidence to perform a range of tasks in a given domain’ (Bandura, 1977)

Shaped by:

- **Perceptions** of prior successes and failures (mastery experience)
- Observing the behaviour in those we admire and ‘model’
- Social persuasion
- Somatic and emotional states

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Depends heavily on the perceived opportunity and specific life circumstances

Shaped by:

- Self efficacy (means)
- Perceptions of pleasure and fun
- Desire for ends
- Economic or psychological necessity

# How to become more entrepreneurial....

- Locate yourself in *suitable environments*
- Get an entrepreneurial mentor
- Become *obsessed with opportunity*
- Take action – *JFDI*
- Take many small steps
- Learn by *failing fast and often* (but make sure the losses are small)
- Develop your *social capital*
- *Do stuff you love...repeatedly*



Get in the game and start playing..