



Animated video serie «Little Green Bags»

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10 Myths of Entrepreneurship

In the mid-nineties, a former investment banker declared that he was going to become the world's biggest online retailer.

A university dropout tells us that he will show the consumers which products they want and then step by step revolutionizes the markets for personal computers, music and cell phones.

In his student digs, a young man designs a comparison portal for female students, which is now the biggest communication platform in the world, connecting millions of people.

And an author, who, by his own account, is hindered by dyslexia, becomes a pioneer of commercial space travel.

Are Amazon's Jeff Bezos, Apple's Steve Jobs, Facebook's Mark Zuckerberg and Virgin Galactic's Richard Branson extraordinary people? Are they Soldiers of fortune? Magicians? Rare super-entrepreneurs who change our lives dramatically?

The purpose of research around entrepreneurship is to get to the bottom of this mystery and to explore the seemingly magical about successful entrepreneurs.

Successful entrepreneurs are not necessarily male dropouts and secret geniuses. No! The potential for entrepreneurship is in each of us.

The entrepreneur we want to send on a journey into an uncertain future is female and neither a visionary nor a dropout. She doesn't have much money either and no sudden brilliant idea that she puts into action purposefully.

And still, she masters the uncertainty like our super-entrepreneurs. Because she also uses the entrepreneurial method, consciously or unconsciously.

The entrepreneurial method? What's that?

If Alice were a manager she would ask herself: what are my goals and which means do I need to reach them?

By contrast, the entrepreneurial method begins with the unique means a person already has. These consist of their

- Identity
- Competences
- And contacts

Beginning with these means, one imagines several possible goals to solve specific problems. It's like cooking without a recipe. The super-entrepreneur doesn't choose a specific recipe and buys the necessary ingredients. No, instead, she could look what she can find in the fridge and then makes up various kinds of possible creations!

With entrepreneurship, it's not the goals we focus on in the beginning but the means.

By acting without a single, fixed goal, a Richard Branson is able to imagine a whole portfolio of goals and possible ventures. After all, he founded Virgin Records and Virgin Airlines before Virgin Galactic.

What's also important: Business ideas don't originate in the shower, but develop in multiple numbers when applying the entrepreneurial method. The idea is the easiest part in the founding process.

And waiting for the "right idea" can lead to waiting forever. Our entrepreneur is already equipped with everything she needs for founding a business. She just has to get going and design the future.

But there's a lack of money! Not if Alice acts according to the successful method of the super-entrepreneurs. Even Jeff Bezos started on a shoestring and funded Amazon with his parents' guarantees, supplier loans and overdrawn credit cards. In other words, with his available means.

Instead of trying to define the expected return like a manager, our entrepreneur defines her affordable loss.

Affordable in
a financial
psychological
and social respect.

Instead of going on vacation, she starts a venture. In small, explorative steps she employs the available means – her money, her time and other people's trust. If she fails, she fails at an early stage and at acceptable costs for her.

With her stock of means, her subsequently conceivable portfolio of goals and her affordable loss, Alice has all the prerequisites to embark on her entrepreneurial journey.

But wait! There are other people who are interested in Alice and her venture. Surely they want to steal her idea, so Alice shouldn't talk about her goals under any circumstances! Wrong! What is she going to protect if she, herself, doesn't know exactly what it's going to look like? She has to talk about her venture to extend her stock of means and her portfolio of goals.

Unlike in management, entrepreneurship is not about a win-lose situation along the lines of "Who gets the largest piece of cake". Neither is it about a win-win situation: "Let's make the cake bigger together!"

In the entrepreneurial present with an uncertain future, the cake has not even been baked yet. Those who want to join become partners, bring in their means and decide together which cake to bake, the common shared goal. They negotiate the future together and co-create the products.

By the way, don't we need a business plan with a clear understanding of where the journey is headed?

An itinerary like that can be helpful, yes, but sometimes it prevents the journey to India from ending up in America, the promised land.

So I'm sailing aimlessly in one direction or the other, depending on the wind?
But entrepreneurship is a crapshoot!
Granted. Luck is one element in the formula of success. But if I act according to the entrepreneurial method, I improve my odds.
It's about a learnable routine in dealing with the unexpected.
Learnable? But aren't you born to be an entrepreneur? After all, entrepreneurial success is rooted in the genes!

Wrong! The entrepreneurial method of our super-entrepreneurs can be applied by any of us. Everyone has a unique stock of means. It's what we make of it that determines the success. Entrepreneurs are made, not born.

Even Richard Branson has had more failures than successes in his ventures. Success was only possible by learning from his failures, which prepared him for the uncertainty that awaits him on his journey in his space ship. Maybe Alice from the entrepreneurial wonderland will be among his first partners. Not as a passenger, but as a collaborator in creating the future of the world we live in. Entrepreneurs aren't prophets. They don't have to predict the future. They create it.

Ready for your own entrepreneurial journey? Here's a short summary:

First, entrepreneurship is not an extraordinary phenomenon, but lies dormant in each of us as an entrepreneurial potential to act.

Second, according to the entrepreneurial method, I start with the available means – who am I, what do I know, whom do I know – not with mystical goals or fictitious ideas. So, there's no reason to wait!

Third, as an entrepreneur, I don't submit my actions under one great idea. No! on the basis of my stock of means I constantly develop my imagination about various possible goals for the solution of specific problems.

Fourth, instead of an expected return, what do I want to earn, the "upside potential", I define an affordable loss, the "downside potential" and ask: how much is it worth to me, how much can I afford to lose?

Fifth, I don't keep my ideas secret, but exchange my goals on the basis of my means with others. The business idea is the cheapest (there are so many ideas!); my stock of means is the most valuable thing in the entrepreneurial process.

So, sixth, "co-creation" develops with the additional means and the new goals of the partners.

Seventh, business plans most likely do not reduce uncertainty, but surely prevent reaching unplanned, yet desirable goals.

Eighth, luck is a part of entrepreneurial success. But with the entrepreneurial method I turn the wheel of fortune more often.

Ninth, we're not born as entrepreneurs but can learn to deal with uncertainty.

Tenth, if you co-create the future as an entrepreneur you don't have to predict it.

Science has many parallels to entrepreneurship. Scientists also experiment to get to the bottom of something new or to create something new. Our entrepreneur "Alice" is called Saras Sarasvathy in entrepreneurship research. She is the discoverer of the entrepreneurial method. Other researchers contribute their means and goals to comprehend the phenomenon of entrepreneurship, where new things develop under great uncertainty.

What will the entrepreneurial society of the future look like? Don't wait for it - co-create it!

Direct link:

<https://www.youtube.com/watch?v=G8gRkJ9cnzo&feature=share&list=PLbuayHrXca4IswkVusLanUS1Hk-OQio37>