

The Entrepreneurial Mindset

Dennis J. Ceru, Babson College

INTRODUCTION

In A Nutshell

In this course offered by Babson College and edX, professor Dennis J. Ceru teaches the fundamentals of entrepreneurship, from spotting unique opportunities to planning for long-term success.

Favorite Quote

“The entrepreneurial mindset is about seeing the world as a set of opportunities - not obstacles. It's about seeing problems to be solved, not barriers that limit. It's about being driven to create value for a broad set of stakeholders and lifting the human condition.” [Dennis J. Ceru]

Introduction

The most successful entrepreneurs can pinpoint unique opportunities and address them through concrete business planning. | By focusing on a human-centered design approach using tools of observation and analysis, entrepreneurs can find innovative ways to address real-world needs. |

In this edX course, Babson College professor Dennis J. Ceru provides practical insights on how to identify and test potential business ideas, as well as how to develop those ideas in a way that can be expressed to potential business partners and investors alike.

INSIGHTS

Thinking like an anthropologist can help pinpoint good business ideas (#ideas, #entrepreneurship)

Truly successful entrepreneurs can develop business ideas that address real-world needs. To do this, though, it's important to take a human-centered approach that prioritizes curiosity and field observation. | By thinking like a traveler or an anthropologist, entrepreneurs can see past preconceived notions to better understand how their target consumers think and act in real-world settings. | Information gleaned from field observation is invaluable to entrepreneurs planning new business ideas as they can, in effect, test them through prior observation. Refining initial concepts that might be somewhat misguided or uninformed can also be of help. |

“Unbiased objective observation is central to discovering unmet needs based on the principles of human centered design.” [Dennis J. Ceru] |

Entrepreneurial thinking and acting, or ET&A, mostly relies on seeing obstacles as opportunities rather than challenges or barriers to success. | An administrator is on one end of the spectrum opposite that of an entrepreneur. They are more risk-averse, tending to focus on protecting the organization. | Entrepreneurs are less concerned with upsetting the status quo, instead seeking out opportunities for growth and ways to capitalize and create value through new ventures. | Mistakes are a natural part of the entrepreneurial process. Rather than be stymied by mistakes, the best entrepreneurs learn from them and move on, using this acquired knowledge to refine their ideas and vision.

Solve a problem in 20 different ways

Exercise your ability to think creatively around a given issue by brainstorming 20 different ways to solve or transform the situation. This sort of open-ended thinking is helpful for entrepreneurs looking to develop and strengthen their skills.

A well-crafted opportunity statement can get other people on board (#entrepreneurship, #entrepreneurialmindset)

“A motivated entrepreneur and business owner or manager with a compelling well-thought-out innovative business concept and clearly stated initiative goals... enables that individual to inspire and encourage others to believe in, join, fund, and support their endeavor.” [Dennis J. Ceru] |

As good as an entrepreneur’s idea might be, having a plan is key to translating an idea into reality. | An opportunity statement not only allows entrepreneurs a formal space to think through their ideas more thoroughly on paper, but it provides a concrete way to show others proof of concept and its potential for success. |

An opportunity statement should contain at least three key components. It should describe the business concept in depth, outlining the product or service, potential consumer base, and the primary business need that will be addressed. | A good opportunity statement should also outline what an entrepreneur expects to gain and what they will put into a given business venture in terms of time, money, and risk. | Business goals should be explored in an opportunity statement. Goals should be realistic and consider the factors that will allow a business to thrive, as well as factors that of inevitable pressure, such as competition and how to turn profits.

Use simple objects for brainstorming

An object, such as a pencil, can be used to develop the skill of idea generation. Create a list using 30 words or less per bullet point to capture as many features and benefits as you can possibly imagine for a given object.

Anticipate and plan for the future as much as possible (#entrepreneurship, #businessplanning)

“Our business environment is continuing to change at an ever-increasing pace and it is your job as an owner, manager, leader, and entrepreneur to maintain currency and relevance not only today but for each tomorrow that you expect to operate.” [Dennis J. Ceru] |

It is highly unlikely that an initial idea for a business will stand the test of time, which is why it's important to plan for future challenges and growing pains actively. | Using emerging industry analysis, entrepreneurs can better plan for bumps along the road and forecast future trends to maintain a competitive edge in a given industry. |

One form of emerging industry analysis developed by W. Chan Kim and Renee Mauborgne, known as 'Blue Ocean Strategy,' breaks business strategy into two camps — competing in existing marketing or uncontested market space. | Red ocean suggests that the water is full of competitors – or sharks – making it a bloodbath. A blue ocean is full of uncharted waters, which may pose a risk but can offer a high reward. | In a red ocean strategy, entrepreneurs will seek to plan long-term for ways to capitalize on existing demand and stand out among several competitors. | Blue ocean strategies seek to carve a unique niche that creates entirely new demand and defines the cost-value within a given area or industry.

Act like an anthropologist

Field observation is an invaluable tool for entrepreneurs seeking to better understand their target audiences. Simple observation can allow you to get closer to the needs, habits, and desires of those you hope to win over with your product or service.

CONCLUSION

Starting a new business is no small venture. For entrepreneurs, the initial planning and formalization stages, such as crafting an opportunity statement, can make all the difference in whether a business idea succeeds.