

# LESSON 7

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## *What is an entrepreneurial innovation?*

### **TIME REQUIRED:**

One Class Period

### **CONCEPTS:**

Entrepreneur  
Factors of Production  
Innovation  
Invention  
Entrepreneurial Ideas  
Entrepreneurial Opportunities

### **INSTRUCTIONAL OBJECTIVES:**

#### **Students will:**

- Differentiate between an inventor and an entrepreneur
- Differentiate between an entrepreneurial opportunity and an entrepreneurial idea
- Define innovation
- Given a list of entrepreneurial opportunities, suggest entrepreneurial ideas for responding to each

### **RATIONALE::**

Entrepreneurs use innovation as a tool to effect change and to develop better products, services, and processes that are wanted by others. Innovation is a driving force for change and is given birth by inventors. It is the entrepreneur who brings the innovation to "life" and uses it to make a valuable contribution to change, development, and progress in the economy.

A new idea is meaningless to the economy unless it is brought to market and made available for others to enjoy and utilize in meeting their wants. Therefore, it is essential that entrepreneurs focus their ideas on a specific opportunity, a want (perhaps not yet recognized) that needs to be satisfied, a problem that has to be overcome, or a challenge that has to be met.

### **MATERIALS:**

- Activity 22 "Responding to an entrepreneurial opportunity"
- Activity 23 "Brainstorming technique"

- Activity 24 "Invention, innovation, and entrepreneurship"

### **VOCABULARY:**

Entrepreneur	an individual who recognizes opportunities (wants or problems) and uses resources to implement innovative ideas for new, thoughtfully planned ventures
Factors of Production	resources necessary for production, including land, labor, capital, and entrepreneurship

### **PROCEDURES:**

1. Ask students to define "inventor." Through class discussion, elicit a definition similar to the following: An inventor develops something new and creates new products, services, and/or processes.
2. Place the following statement on the board: "An inventor and an entrepreneur actually do the same thing." Ask students if they agree with the statement. The discussion should lead to the idea that inventing something is one process, but getting it widely accepted, produced, and distributed is the domain of the entrepreneur. Many inventions, for example, are never duplicated because no entrepreneurial talent put the other three factors of production together---land, labor, capital---to have it made, sold, and distributed to consumers.
3. Ask students to define "innovation" in an entrepreneurial sense. Conclude the discussion by generating a definition such as "to be innovative means to develop something of value and useful to others, not just something that is simply new and different."

4. Spend some time discussing how entrepreneurs generate innovation. Distribute Activity 22. Direct students' attention to the definitions of an entrepreneurial opportunity and an entrepreneurial idea. Use the examples to point out the differences and relationship between the two.
5. Divide the class into brainstorming groups and ask each group to identify entrepreneurial opportunities in their school and community. If students need help or instructions in brainstorming, distribute or review with them the rules in Activity 23. Appoint a recorder/reporter for each group. Allow 10 minutes for the brainstorming session.
6. Have each reporter present the group's *best* entrepreneurial opportunity. As each opportunity is presented, evaluate it as a class. List the opportunities on the board. At the end of the exercise, have the class select what it perceives to be the one *best* opportunity.
7. Ask each student to write three to five specific ideas, being as innovative as possible, that could be considered as a response to the opportunity selected by the class in procedure 6 above. When this is done, have the students share what each considers his or her *best* entrepreneurial idea with the class.

**EVALUATION:**

Have students work in cooperative groups to complete Activity 24.

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## **ACTIVITY 22**

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### ***Responding to an entrepreneurial opportunity***

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#### **Entrepreneurial Opportunity**

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##### **Definition**

A want, problem, or challenge that can be addressed, solved, and/or satisfied by an innovative initiative

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##### **Examples**

People are increasingly conscious of the food they eat and the water they drink

People are increasingly concerned about health and fitness

There is a need for widespread education regarding AIDS

Many people are mystified by computers  
Many people cannot read or write  
Australia is very "in"

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#### **Entrepreneurial Idea**

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##### **Definition**

A specific innovative way to satisfy a want, overcome a problem, or meet a challenge

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##### **Examples**

A health food or fresh food restaurant

A new form of health club

A new, innovative way to provide AIDS education

A home education program on computers

A new type of program to combat illiteracy

An Australian film festival





