

COMPETENCY PROFILE OF AN INNOVATIVE ENTREPRENEUR

Introduction

This document has been prepared by the partners of INNOGROW Project – “Innovative Entrepreneurship for Increased Employability, New Business Creation and Economic Growth” in order to outline the characteristics of innovative entrepreneurs and intrapreneurs.

The information provided in this document relies on the large scale field research which

has been conducted in all partner countries of INNOGROW Project (Turkey, UK, Greece, Spain and Romania) with the participation of *150 people* in total. The target groups of research were innovative SMEs, start-ups and incubator organisations and interviews has been conducted with *68 entrepreneurs* and *77 intrapreneurs in 87 companies*, and *5 representatives in 5 incubator organisations*.

Characteristics of Innovative Entrepreneurs and Intrapreneurs

It is noncontestable that innovation based entrepreneurs play important role in flourishing and boosting economies in all over the world. Although the innovative entrepreneurs¹ of age come from different backgrounds and environments, they have many things in common such as; traits, motives and competencies. What make innovative entrepreneurs successful is not only their own characteristics but also others’ who they work with. In order to sustain innovative growth of venture every entrepreneur needs fellows who represent entrepreneurial tendency within the organisation. We call the individuals with latent entrepreneurial spirit

within innovative ventures as ‘innovative intrapreneurs’².

Our research revealed that innovative entrepreneurs and intrapreneurs have many common characteristics. This document is intended to provide a detailed description of these common and diverse characteristics of innovative entrepreneurs and intrapreneurs by relying on the in qualitative data gathered by the interviews conducted by the participation of these groups in 5 European Countries. The document will firstly review the backgrounds of innovative entrepreneurs and intrapreneurs in terms of education and prior work

¹**Innovative Entrepreneur:** someone who takes risks by starting an innovative company with the goal of providing a good or service and sees the company as a whole.

² **Innovative Intrapreneur:** someone within an innovative company that takes risks in an effort to solve a given problem that will contribute to increase the competitiveness of the company.

experience, and sources of capital for the establishment of ventures for entrepreneurs. Next, it will elaborate the common and diverse traits, motives and competencies.

Lastly, it will give clues about the 5 key competencies common for both groups which play significant role in growth of innovative ventures.

Education

The innovative entrepreneurs always have strong educational backgrounds in the fields related to their ventures. As they are operating in innovative sectors of age which necessitate scientific and technical knowledge to a great extent, they graduate from engineering departments and mostly continue their education after graduation from undergraduate departments.

The innovative intrapreneurs also have strong education backgrounds minimum at graduate level. Unlike entrepreneurs, they have not necessarily been educated in technical fields due to different positions they held within the companies.

Highlights

- ✓ *Approximately 70% of entrepreneurs interviewed have minimum MSc degrees from the same or complementary departments of undergraduate education.*
- ✓ *While 50% of intrapreneurs interviewed graduated from relevant scientific/engineering studies, the other 50% graduated from economics and business studies.*

Prior Work Experience

According to entrepreneurs, prior work experience plays a key role in starting own venture. The previous experiences, in related fields of ventures, help them to gain specific know-how in their space and to understand the nitty-gritty's of overall business operations.

where they merely need or expected to contribute to the innovative development of the organisation. However, by relying on the know-how gained in these experiences and with more suitable working conditions that they have been provided in their current jobs, they become innovative intrapreneurs of the current ventures.

According to intrapreneurs, prior work experience plays a key role in joining and taking active role in the current venture. They usually hold positions in previous experiences

Highlights

- ✓ *The entrepreneurs always work in other organisations 5-10 years prior to launching their first venture.*
- ✓ *The intrapreneurs usually work in other organisations for 5-10 years prior to joining the current venture.*

What did they say?

An *entrepreneur* from Turkey: "I do not believe that the senior students are the potential entrepreneurs. They need to gain professional experience first and then take their first steps through their own venture. Otherwise, their ventures cannot be sustainable."

Sources of Finance

The entrepreneurs often search for and make use of external funding for the establishment of their ventures. In majority of cases, the main source of finance is national funding

programmes designed for entrepreneurs. In less number of cases, entrepreneurs made use of funding provided by EU programmes.

Traits

Common Traits of Innovative Entrepreneurs and Intrapreneurs

Determination

A central and most observed trait of successful and innovative entrepreneurs. The innovative entrepreneurs usually persevere towards their goals in spite of obstacles, they do not give up easily and try as many times as they can until they reach their goals.

A common trait of innovative intrapreneurs; they continuously seek for information and new solutions until the success is achieved. The innovative intrapreneurs with this trait distinguish from other staff and shows that they also have entrepreneurial personality.

Curiosity

The innovative entrepreneurs have an inquisitive stance against things, they like going beyond the usual things. They are excellent learners of new things; they explore, observe and investigate until they find out what they seek for.

Curiosity is also a common trait of innovative intrapreneurs. Unlike regular staff within an organisation, they are mostly nonconformist individuals; they enjoy discovering new things which help in innovative development of the organisations they work for.

What did they say?

An *intrapreneur* from Spain: "Intrapreneurs ideate new solutions out of ordinary."

Flexibility

Both innovative entrepreneurs and intrapreneurs tend to have the ability to cope with changes, manage uncertainty and adapt to different situations easily.

Cooperativeness

The innovative entrepreneurs need to be agreeable in their relations with other people

inside and outside their ventures. They are open to sharing, receiving, motivating and, eliciting support of others.

The innovative intrapreneurs are also agreeable in their relations with other people inside the venture. They are good team players, open to share knowledge and usually think about welfare of others.

Innovative Entrepreneurial Traits

Passion

The innovative entrepreneurs have a compelling enthusiasm towards the achievement of the success they desire. They see and act on opportunities and confront challenges eagerly for the innovative growth of their ventures.

action in advance before a change is created by others. They need to be the ones who bring about a change rather than waiting for and adjusting to a change.

Proactivity

The innovative entrepreneurs usually look for new opportunities in the market and take

Holistic Approach

The innovative entrepreneurs always view their ventures a whole. They simultaneously concern and control research and development, production, marketing, finances and human resources as single parts of overall business operation.

What did they say?

An entrepreneur from Greece: "The company is a fertile field which is ready to be cultivated."

An entrepreneur from Spain: "What defines and entrepreneurs is doing, not listening."

An entrepreneur from Greece: "I sometimes see myself as a hustler."

An entrepreneur from UK: "Being innovative means to be open to change and not just open to change but proactively seeking change so it is always asking the question of what is next, what can we do better, what can we do differently and not just for the sake of doing it differently but to create more value than it's currently created."

An entrepreneur from Romania: "Action is what defines an entrepreneur."

Motives

Common Motives of Innovative Entrepreneurs and Intrapreneurs

Need for Achievement

The innovative entrepreneurs' major motive to start their own venture is usually the moral satisfaction of materializing new ideas and bringing about a change. In most cases, achievement especially motivates 'opportunity' based entrepreneurs; they usually set up their venture upon a perceived opportunity or need in the market.

The innovative intrapreneurs also motivated by achievement, they feel the satisfaction of working in an environment where they have major contribution to development of new things which satisfy needs in the market.

Use of Skills and Know-How Generation

The innovative entrepreneurs usually have more extensive knowledge and skills in their space and have an internal hunger of properly using these in their working life which is not generally possible in other organisations. They also long for working environments where it is possible to learn on a continuous base and generate new know-how in the space. In most cases, use of skills and know-how generation especially motivates 'necessity' based entrepreneurs.

The innovative intrapreneurs also long for properly using their knowledge and skills in a working environment where it is also possible to generate new know-how on a continuous base.

Highlights

- ✓ *The innovative entrepreneurs in Greece, Spain and UK are usually motivated by achievement.*

Innovative Entrepreneurial Motives

Financial Relief

The innovative entrepreneurs usually choose to start their own venture with a motive of making more money (than paid jobs) over an innovative idea. In most cases, generating more income especially motivates 'necessity' based entrepreneurs.

Flexibility

The innovative entrepreneurs usually long for flexible working conditions which they cannot or could not have in other organisations with strict organisational bureaucracy, rules and hierarchy. The flexibility helps them flourish new ideas. In most cases, flexibility especially motivates 'necessity' based entrepreneurs.

Highlights

- ✓ *The innovative entrepreneurs in Turkey and Romania are usually motivated by financial relief.*

What did they say?

An entrepreneur from Spain: "To develop entrepreneurs, it is important to create the adequate environment, providing the tools that enable them to create."

Competencies

There is a popular myth in all over the world that entrepreneurs are born rather than made. This myth has been proven to be wrong by the participants of our research as they do believe that entrepreneurship is trainable but there are many parameters influencing the training process, such as; character, environment, culture, etc. When all factors fixed, there are some common competencies that are developed in a continuous training process which include not only formal and non-formal training but also work experiences and observations. *That is why, in most cases, both the innovative entrepreneurs and intrapreneurs developed their competencies, which make the most of where they are now, through a combination of education and experience.*

The common competencies innovative entrepreneurs and intrapreneurs, that are challenging to be gained from scratch but developed through a continuous training process, are listed below:

Technical Know-How in the Field

Both the innovative entrepreneurs and intrapreneurs usually have sound technical/technological knowledge in their fields of activity. As they tend to be graduated from the university departments which provide them a technical base in their space, they are capable to put upon it by experience and generate more specific know-how in time.

Analytical Thinking

Both the innovative entrepreneurs and intrapreneurs are usually good at interpreting, linking and analysing information to understand issues. They tend to approach to complex issues and problems with a step-by-step methodology which allows them to break down them into single and manageable components.

Communication

The innovative entrepreneurs are good at listening to and communicating with others inside and outside the venture in an effective manner. They are also the ones who have ability to communicate entrepreneurial ideas in a way that is clear to a number of different audiences and not just communicate the idea but the value the idea creates.

The innovative intrapreneurs are also good at listening to and communicating with others, but mostly inside the organisation. The communication competency helps them to be great team players and to reflect ideas for new initiatives inside the organisation they work.

Continuous Learning

Both the innovative entrepreneurs and intrapreneurs are good at identifying and addressing individual and organisational strengths and weaknesses, changing circumstances and new opportunities in the

market. They continuously explore and investigate new ways to adapt changes and new solutions to enhance personal and organisational performance.

What did they say?

An intrapreneur from Turkey: "The skill of continuous learning and learning from the right resources is very important for entrepreneurs and intrapreneurs, especially in ICT sector."

The 5 Key Competencies for Success of Innovative Ventures

The research revealed that there other, but key competencies, of both innovative entrepreneurs and intrapreneurs which help growth of innovative ventures of age. These competencies distinguish from others above in terms of trainability and learnability in after life. These competencies of today's successful entrepreneurs and intrapreneurs are regarded as rather trainable and not influenced by other factors.

The five key competencies are listed below with short definitions (created by the research participants) in sequential order of importance for the success of innovative venture.

COMPETENCY	COMPETENCY DEFINITION
Creative Thinking	A process of thinking which results in new ideas to be turned into new products/services or new solutions to existing or prospective problems and complex issues. Can be defined as 'thinking out of the box'.
Problem Solving	Ability to find the best solution for a specific problem or bottleneck which works fast. Should be proactive.
Leadership, Motivation, Team Management	Ability to lead and empower a team towards a common mission, by revealing the creative potential which helps getting effective results. Creating 'synergy'.
Innovation Management	Managing the entire process of generation new innovation ideas, turning these ideas into new products/services and bringing innovation to market. Includes control over IPR.
Strategic Planning	A result oriented effort which includes the process of defining the direction of the company, setting priorities and goals to get in this direction and taking action when it is time.

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