



Master
BECOMING ENTREPRENEURS



Avv. / Lawyer GABRIELE VARRASI, Ph.D.

Visiting Professor - University of Turin

Corporate Governance
Business Law

Lawyer in Switzerland and in Italy

Avv. / Lawyer GABRIELE VARRASI, PhD
gv@gabrielevarrasi.com



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Entrepreneurship and Innovation



What's the difference between entrepreneur and intrapreneur?

The main difference between these two figures is underlined by the position they occupy inside the organization

Entrepreneur → The leader of the operation, and the one who takes risks, owns and handles the company

Intrapreneur → An employee. They advertise the innovation for the organization they work for

Avv. / Lawyer GABRIELE VARRASI, PhD
gv@gabrielevarrasi.com

BASIS FOR
COMPARISON

ENTREPRENEUR

INTRAPRENEUR



Meaning	Entrepreneur refers to a person who set up his own business with a new idea or concept.	Intrapreneur refers to an employee of the organization who is in charge of undertaking innovations in product, service, process etc.
Approach	Intuitive	Restorative
Resources	Uses own resources.	Use resources provided by the company.
Capital	Raised by him.	Financed by the company.
Enterprise	Newly established	An existing one
Dependency	Independent	Dependent
Risk	Borne by the entrepreneur himself.	Taken by the company.
Works for	Creating a leading position in the market.	Change and renew the existing organizational system and culture.

Entrepreneurship and Innovation

What does Entrepreneurship mean?

Entrepreneurship refers to the process used to identify and start a new commercial business. This happens with the awareness of the risks and the benefits that this process brings.

That is a dynamic process of creation of richness; a process of creation of a new value. This needs an investment of time and work and the capability to sustain high risk aspects eg. financial and social environments. The goal is to gain income and personal satisfaction.

Entrepreneurship is a innovative function that produces work opportunities.



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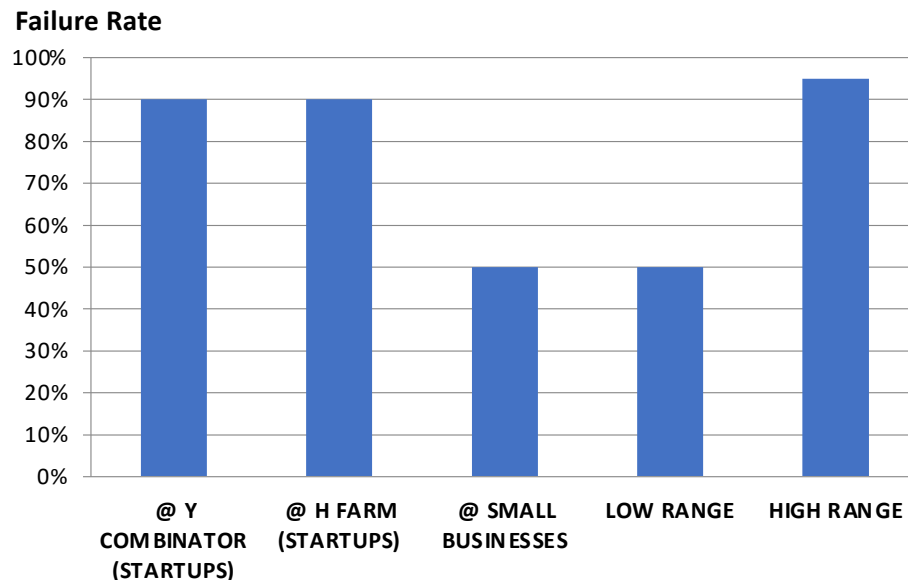
What does Innovation mean?

Innovation, or Innovation Management, is used today to talk about the administration of digital innovation and it's an important tool for any businesses. Especially in this last decade, the process of innovation has become more and more interactive and quick; open to a increasingly more digital environment, even thanks to the arrival of new external actors such as start-ups and universities.

Innovative start ups → are joint-stock companies that have the purpose of producing youth work and helping new businesses that aim at innovation by simplifying access to financial tools.

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To start a new business Is it risky?



Starting a new business is risky, however there are tools that allow you to understand if it works.

You need to create and follow a business plan, even before starting the start up.

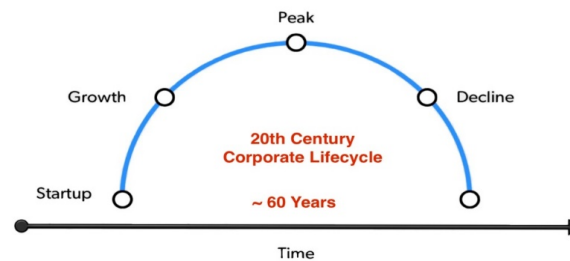
Eg Business model canvas.

Business model → how to organize your start up.

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The Time Horizon is collapsing

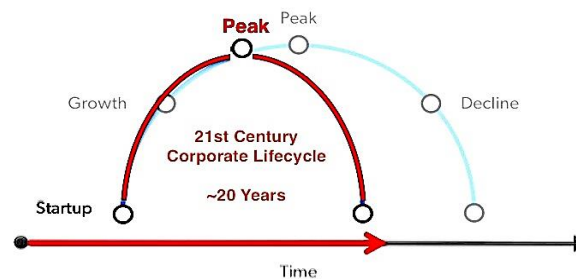
20th Century Corporate Lifecycle



The average life expectancy of companies from birth to death has decreased from 61 to 20 years.

Companies are also more likely to “die” at any time. Today almost a tenth of all public companies fail every year, a four-fold increase since 1965.

21st Century Corporate Lifecycle



The five-year exit risk for companies is now 32%, compared to the 5% risk they would have faced 50 years ago.

The market requires constant innovation and companies often cannot keep up with this continuous evolution.

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Disruptive Innovation



*Kodak: Disrupted by the Digital
Photography*



*Nokia: Disrupted by the touch-
screen and apps enabled mobiles*



Disrupting the Hotel Industry



Disrupting the DVD Rental Industry

Incremental Innovation



Incremental innovation is a series of small improvements or upgrades made to the company's existing products, services, processes or methods.



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The Entrepreneur

The Entrepreneur represents the heart of the modern economy.
He/She organizes the production process of a product (labor and capital).
The Entrepreneur is the one who takes the business risks.

Key features of Entrepreneurs:

- they are innovators
- they run risks
- they face and find solutions to problems
- They are creative → this is a fundamental characteristic for an entrepreneur, without it He/She cannot follow innovation or create it.

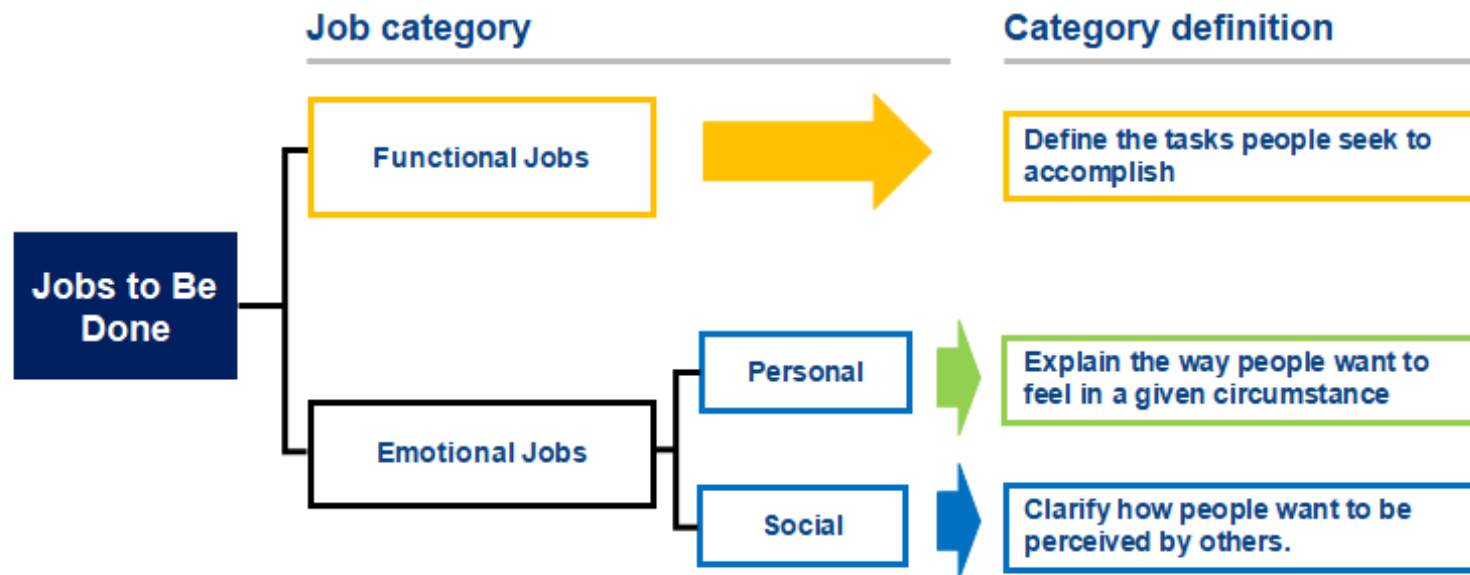
Creative Entrepreneurship

It is the ability to use creativity to identify an opportunity, to build a Value Proposition or a Business Model.

OPPORTUNITY: an opportunity exists when the outputs offered by the competitors are badly served, are over-served or are not served at all. Output means therefore what the customer actually buys; the output of the products and services purchased.

The opportunity is a "job that needs to be done".

Job To Be Done



3 types of customers' output that companies should always consider

Jobs that their customers are trying to do

Results that customers are trying to reach (that is, the metrics used by customers to define the correct execution of a job)

Constraints that could prevent customers from adopting or using a new product or service



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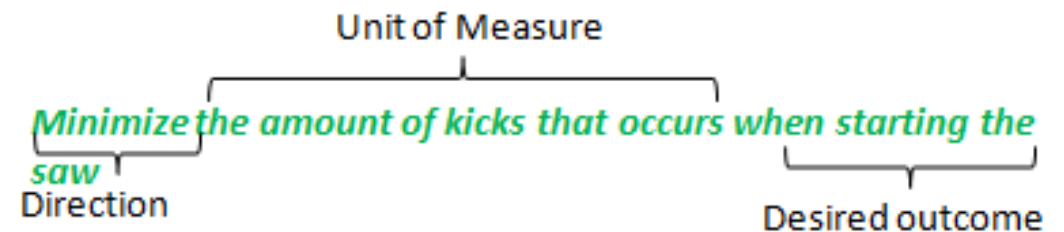


Outcomes

Companies must acquire information about *all* the desired results for the jobs to which they direct their products and services, since *you never know* which ones could be under-served.

These metrics must be defined *by customers*.

Any proposed product idea can then be evaluated based on these measures.



Avv. / Lawyer GABRIELE VARRASI, PhD
gv@gabrielevarrasi.com

Constraints

In addition to doing more jobs or performing a specific job better, clients also need help to overcome the constraints that prevent them from doing a job (completely or in certain circumstances).

3 types of constraints:

1. physical
2. regulatory
3. environmental
in nature



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Value Proposition

The sum of the benefits that the organization promises to offer its customers through its offer (whether products, services, or both) for which customers are willing to pay.

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gv@gabrielevarrasi.com

5 key questions that must always be answered

What is the purpose and uses of the product? What are its main features? → it defines the company's market boundaries and clarify in which markets the company is currently competing

Who is this product for? Where are they? → it defines the different market segments served by the company In which market are the customers located?

What is the need of our product? What problem is it trying to solve? Is it a significant customer problem? To what extent does the product solve the problem? → it clarifies the problem that the product or services is trying to solve, or the need that is designed to satisfy.

How is the product delivered to the customer? How do customers discover the product? What distribution channels do you use? → it will help define how the value proposal will be delivered

What is the price position of the product? → it will help define the price of a value proposition which in turn easily triggers intuitive decisions by customers

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There is a Value Proposition if and only if:

$$C < P < V$$

Total cost of the
product/service
(production,
distribution, etc...)

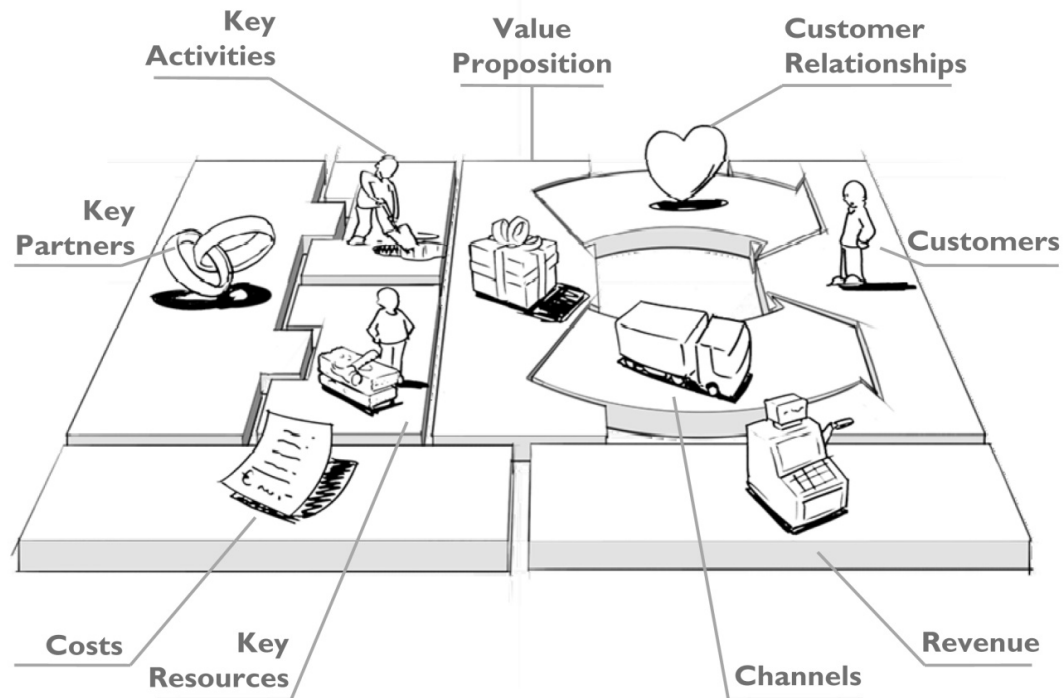
Customer net
price (after
discount)

Customer perceived
value

Business Model

The Business Model describes the logic with which an organization creates, distributes and creates value. It is the operating system of a company and through organizational and strategic solutions it gains competitive advantage. The Business Model is therefore a logical structure that allows working smoothly and productively.

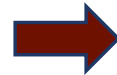
Business Model Canvas



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VP: Value Propositions



It seeks to solve customer problems and satisfy customer needs with **Value Propositions**



KR: Key Resources



Key Resources are the assets required to offer and deliver the previously described elements ...



KA: Key Activities



... by performing a number of **Key Activities**



KP: Key Partnerships

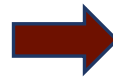


Some activities are outsourced and some resources are acquired in outsourcing

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CH: Channels



Value propositions are delivered to customers through communications, distribution, and sales **Channels**



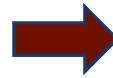
CR: Customer Relationships



Customer Relationships are established and maintained with each Customer Segment



CS: Customer Segments



An organization serves one or several **Customer Segments**



C\$: Cost Structure



The business model elements results in the **Cost Structure**

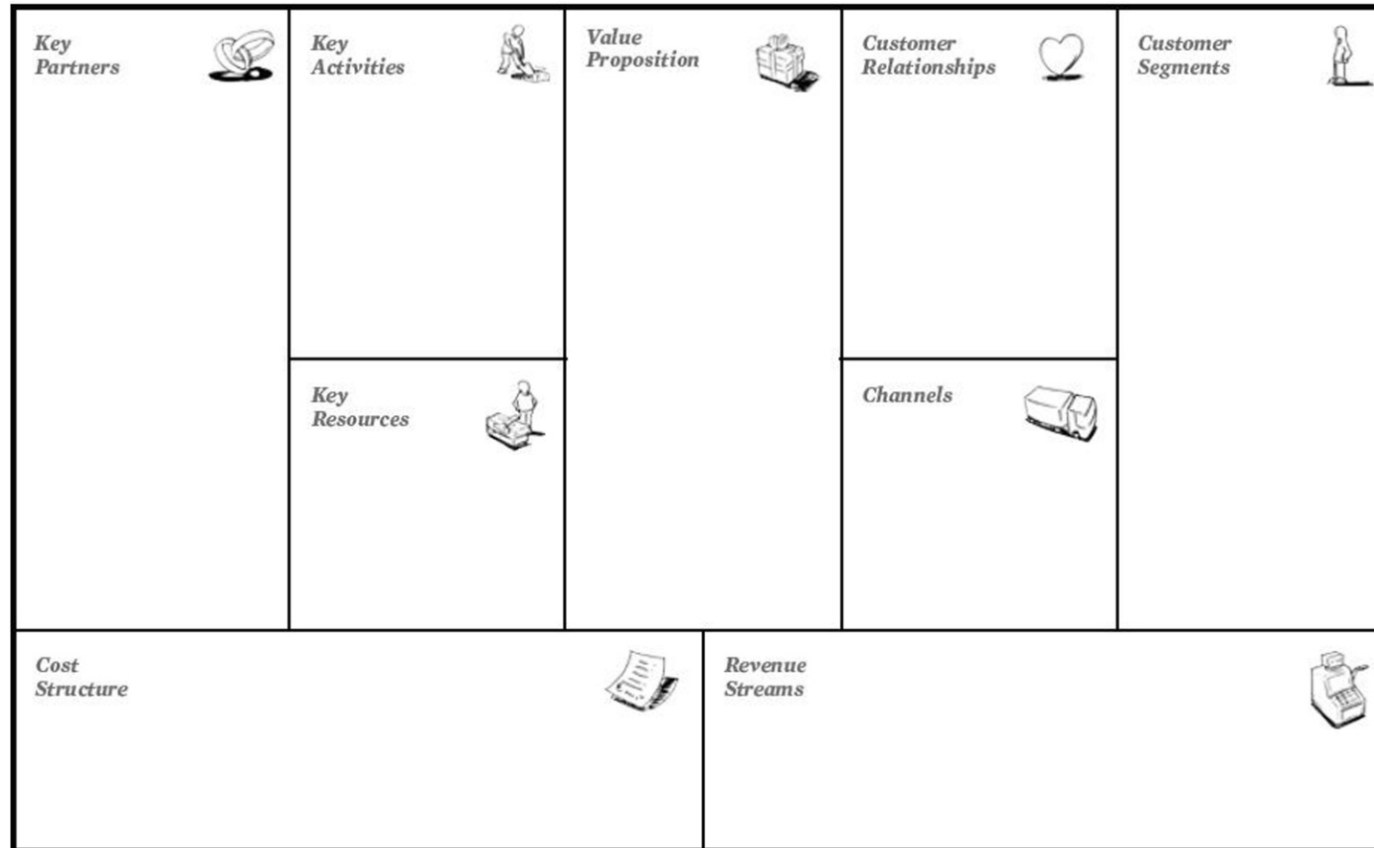


R\$: Revenue Streams

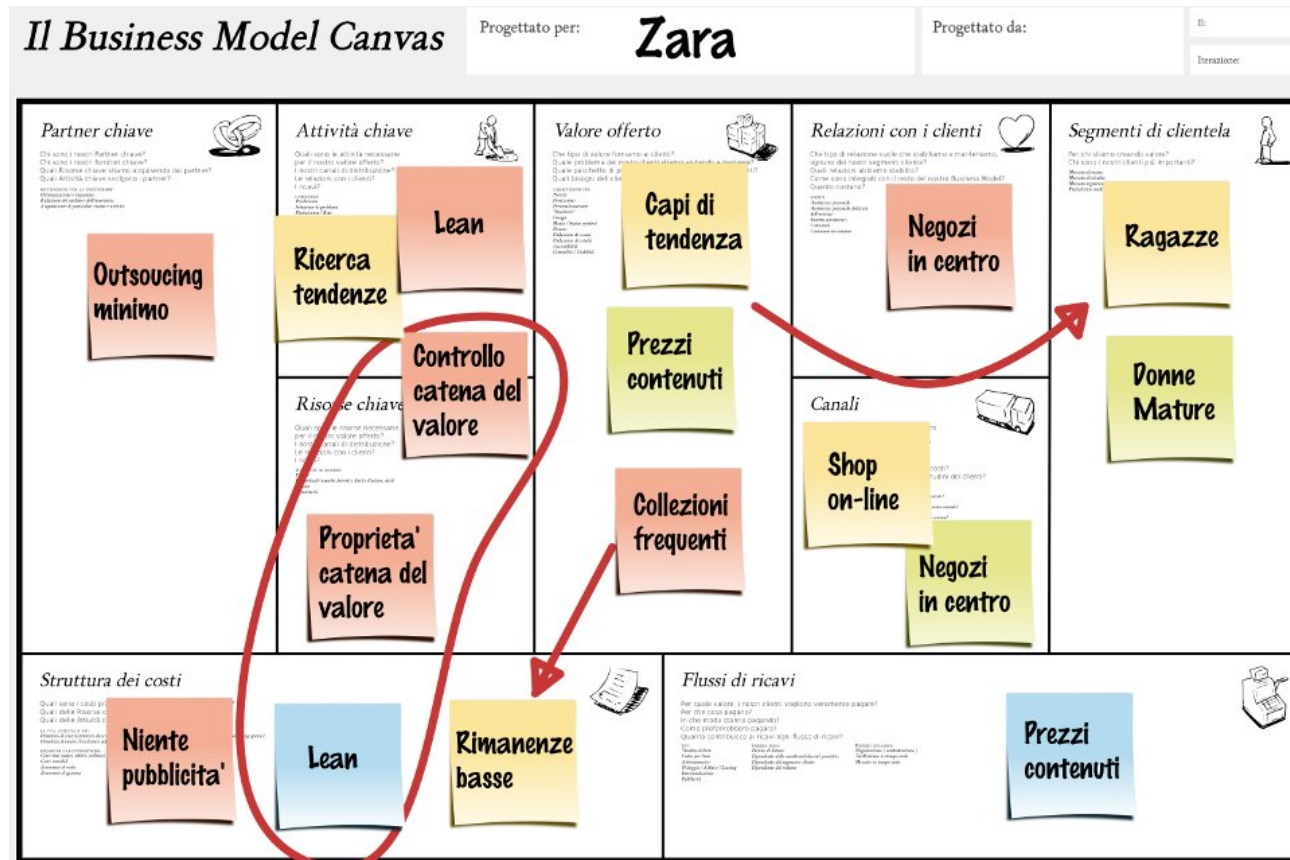


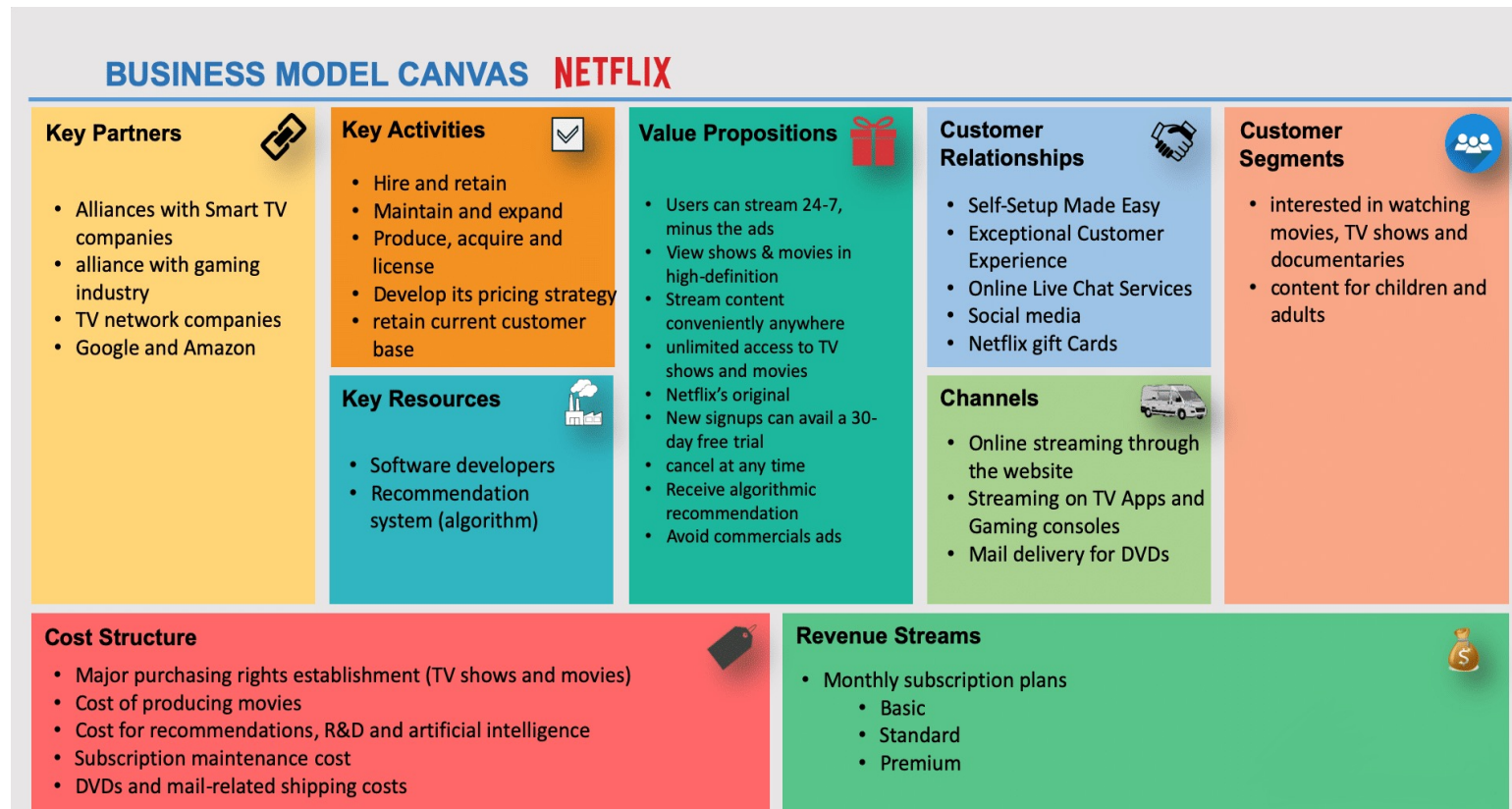
Revenue Streams result from value propositions successfully offered to customers

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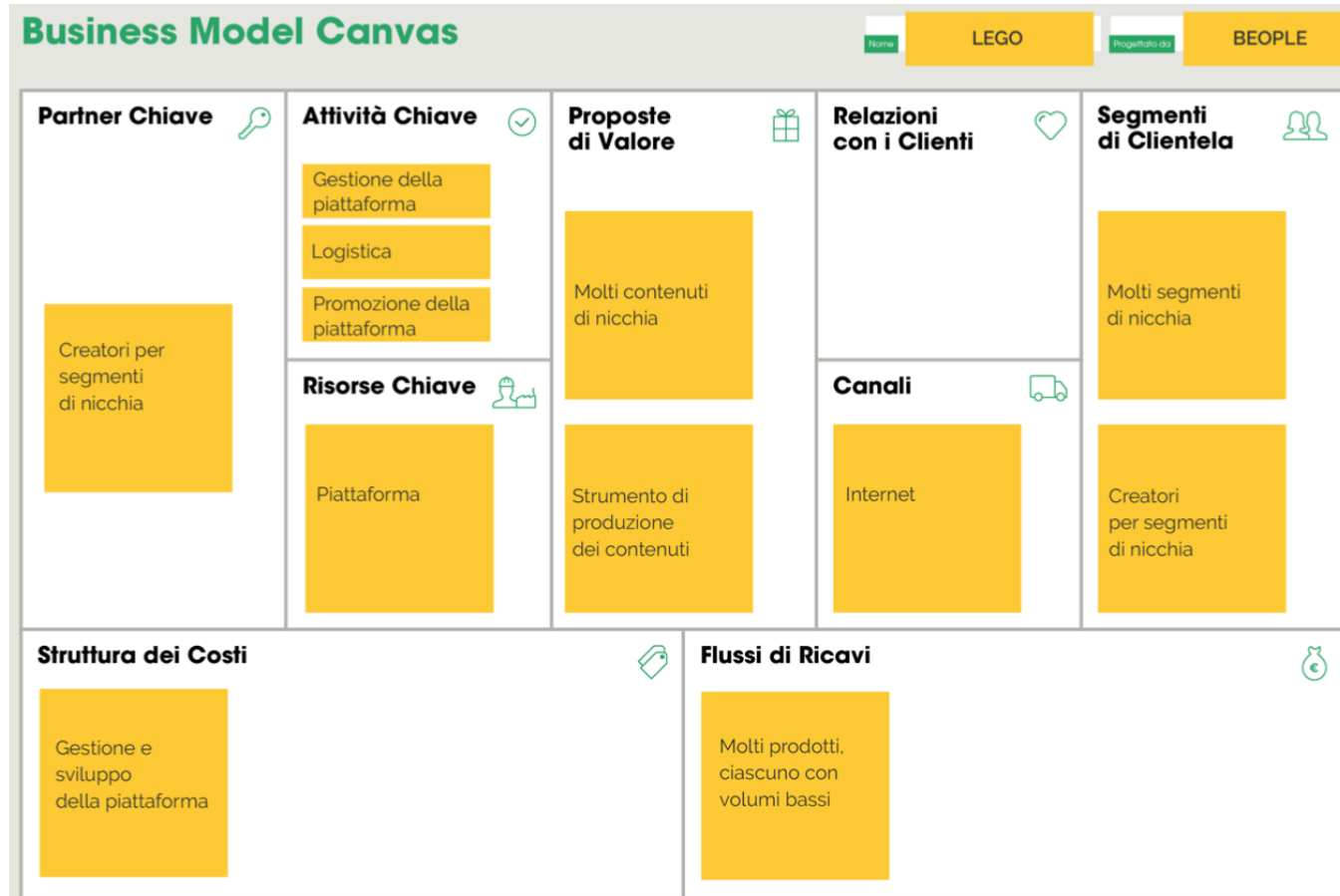


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<p>Key Partners </p> <ul style="list-style-type: none"> Record companies Right holders Independent musicians 	<p>Key Activities </p> <ul style="list-style-type: none"> Maintenance of PC software program / web / mobile app Management of music library Content acquisition Contract negotiations Marketing 	<p>Value Proposition </p> <p><u>Subscribers/free users</u></p> <ul style="list-style-type: none"> Access to a library of millions of songs for cost effective fee / free (with ads) Instant access to music through streaming service <p><u>Advertisers</u></p> <ul style="list-style-type: none"> Effective advertising platform i.e. marketers can utilise the emotive power of music Ability to reach active "free user" base of around 40 million 	<p>Customer Relationships </p> <ul style="list-style-type: none"> Website, WordPress, Facebook, Twitter Spotify's streaming platforms 3rd party APIs 	<p>Customer Segments </p> <ul style="list-style-type: none"> Advertisers Subscribers Free users
<p>Cost Structure </p> <ul style="list-style-type: none"> Music royalties Salaries Operation costs related to service delivery 		<p>Revenue Streams </p> <ul style="list-style-type: none"> Subscription fees Advertising revenue 		

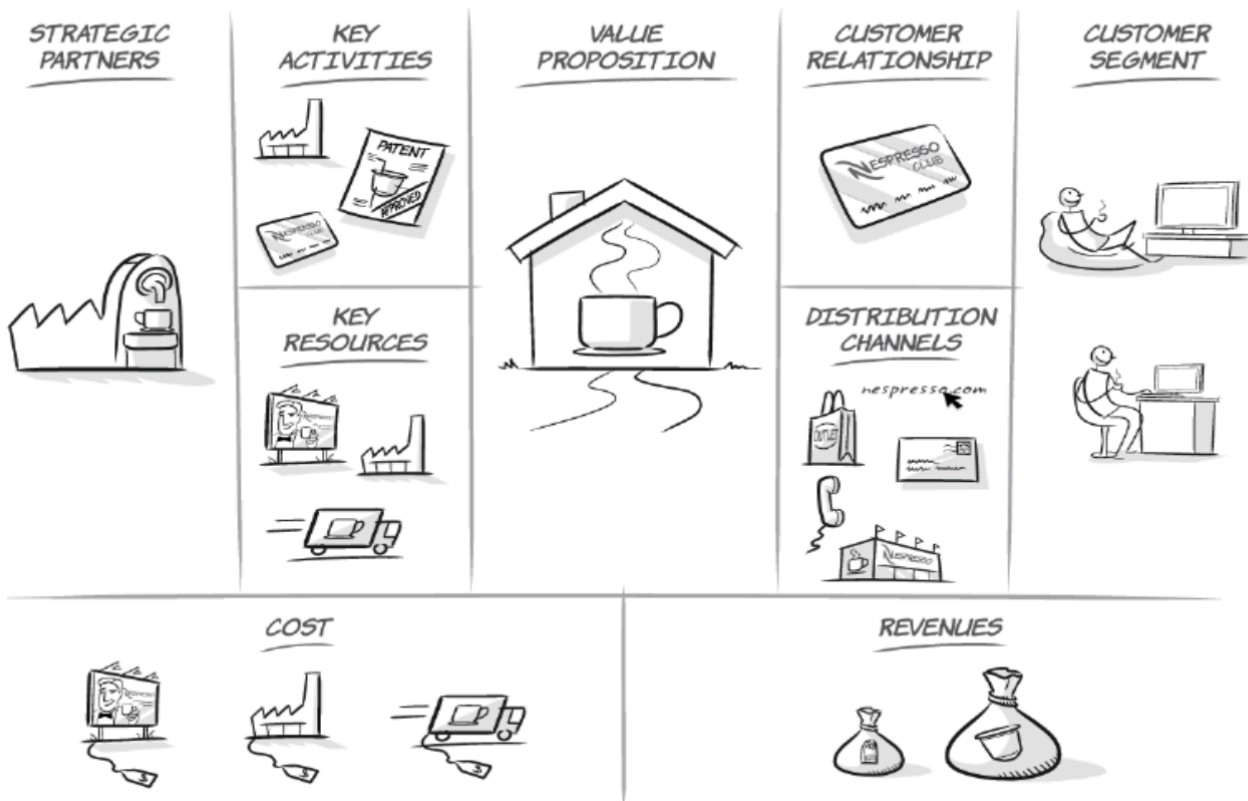
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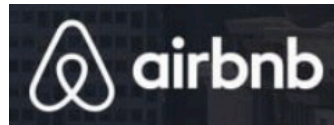
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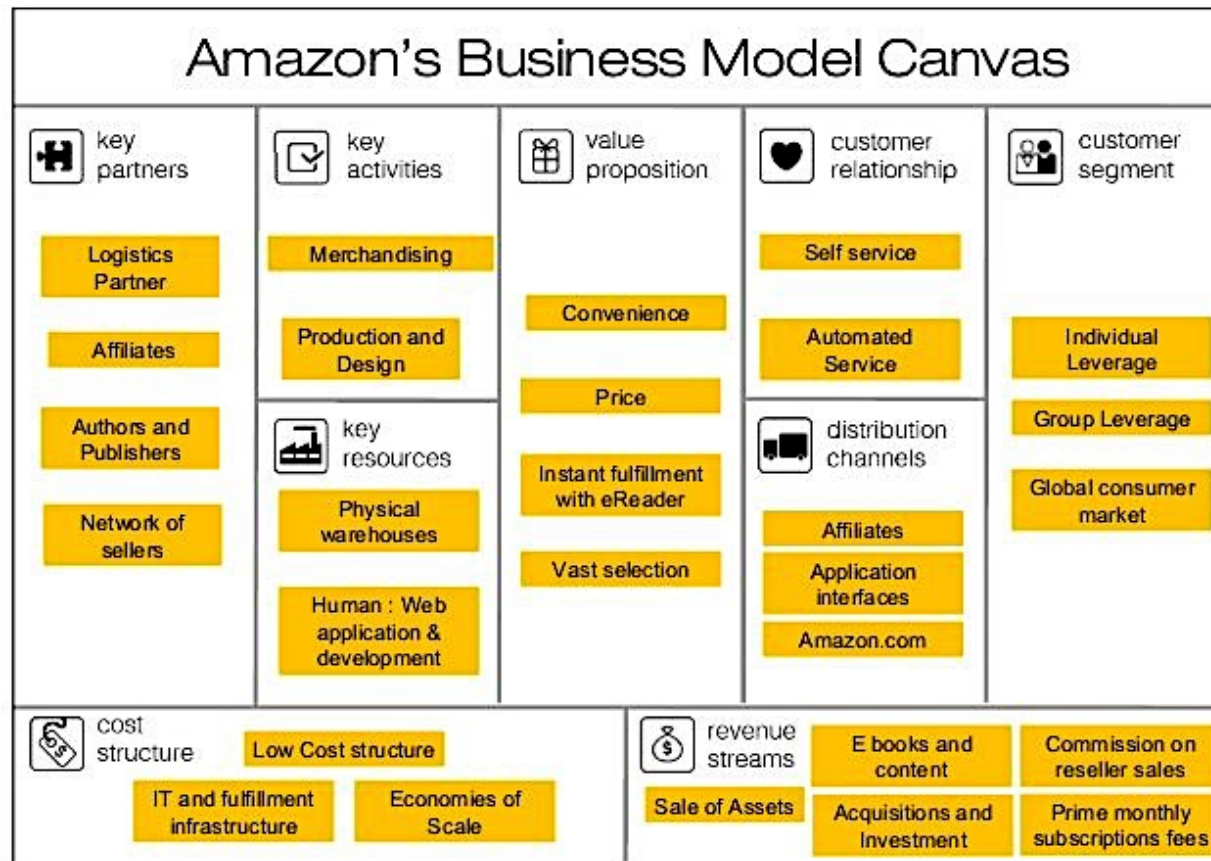
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Avv. / Lawyer **GABRIELE VARRASI, PhD**
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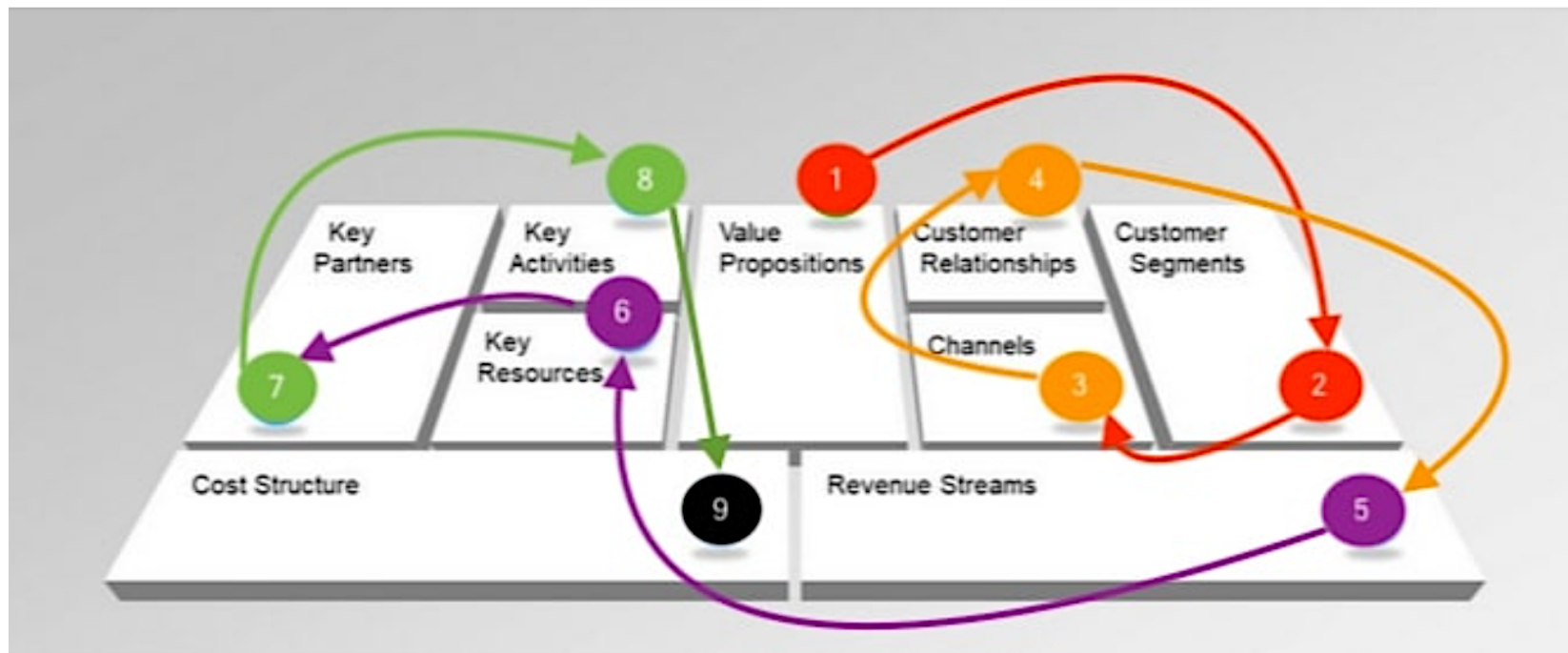
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VARRASI

THANK YOU FOR YOUR ATTENTION

Avv. Gabriele VARRASI, Ph.D.

Via Serenella 27 - Lugano 6976 - CH

Main Offices: Lugano - St. Moritz (CH)

Panama City (Panamà)

Desk Offices: Milano - Torino (ITA)

gv@gabrielevarrasi.com

www.gabrielevarrasi.com