

INTRODUCTION TO ENTREPRENEURSHIP

Foreword

The relentless acceleration of change, particularly technological change, the alteration of social balances, the growing precariousness of salaried employment in large organizations, the desire to have more independent work that better aligns with one's aspirations and values, and the prospect of being one's own boss are all forces that lead an increasing number of men and women to consider the creation or takeover of a business as a credible alternative to paid employment.

At the same time, it is now commonly accepted that the broad entrepreneurial orientation of a society in general or of an organization in particular is directly linked to the pursuit of a higher level of performance.

In this context, most universities, business schools and engineering schools quickly introduced, then diversified and enriched, courses dealing with entrepreneurial behavior and the many forms it can take: business creation, growth of young organizations, social entrepreneurship, business takeovers, corporate entrepreneurship, etc.

Faced with this exponential growth in demand, we have very few pedagogically oriented works, despite the increasing number of publications in the field of entrepreneurship. We do not truly have a learning manual designed to support the training of all those who plan to undertake, whatever the form of entrepreneurship they are considering, or who wish to acquire theoretical and practical knowledge in this field.

This work covers many themes that are generally presented in the order in which the questions arise when an individual engages in an entrepreneurial process. The selection of these themes and the way they are presented reflect the general philosophy of this work, which focuses mainly on questions of meaning, method, and general approaches to situations and problems that arise in entrepreneurship. Techniques and tools are of course presented whenever necessary, but it seemed fundamental that the spirit and method of the act of undertaking should be at the heart of a work that is supposed to enable actors to learn how to undertake. We will try to justify our choice to consider, above all, entrepreneurial behavior as a matter of method, way of doing things, and state of mind.

In any entrepreneurial initiative, whether at the individual or collective level, success and failure largely depend on the approaches and methods used and, ultimately, more precisely, on the way of thinking and acting in specific situations. When creating a business, for example—an event that may involve more or less high risks—many elements related to the project, the environment, and the individuals involved in the process must be taken into consideration. Relevant information about the environment (in the broad sense), the business opportunity, the market, and competitors is generally difficult to obtain or to validate, yet it can help reduce uncertainty about the project.

Under these conditions, the methodological dimension, in the sense of how to take into account situations and problems, becomes so important that no potential or established entrepreneur can afford to underestimate or ignore it. Knowing and understanding the phases, key points, and critical factors of the entrepreneurial process reflects a reasoned and professional approach, which prepares individuals for responsibility and for the role of business leader. Using a structured process in this particular context makes it easier to integrate risk (and uncertainty) along a path, to identify it, better understand it, anticipate its consequences, and imagine the most appropriate scenarios and responses. It also makes it

possible to act on the project's potential for value creation, since these two components, risk and value creation, are generally interdependent.

The prepared, trained entrepreneur—educated in the act of undertaking—is therefore an individual who pursues personal goals, is guided by motivations, and seeks, through the approach he or she uses, the best possible compromise between satisfying personal objectives, maintaining an acceptable level of risk (or loss), and achieving the expected degree of value creation for himself or herself and for the environment in which he or she plans to operate. Over the course of this journey, the entrepreneur will seek, collect, and analyze large quantities of data. These must enable him or her to make multiple operational and strategic decisions, to size and steer (or pivot) the project, and to act in many directions.

The individual and his or her potentially value-creating project thus form a complex system that emerges, evolves, and transforms through internal interactions and exchanges with the environment. In this process, time is a fundamental variable, whether it concerns the time of the individual and/or the time of the project.

This document is intended for students of the École Supérieure d'Agronomie de Mostaganem. Its objectives are to:

- Promote a spirit of initiative among students and spark their interest in self-employment and business creation.
- Enable students to consider entrepreneurship as a path to professionalization alongside more traditional paths such as civil service and salaried employment.

Introduction

Entrepreneurship has today become a major issue for almost all countries. The full range of benefits it generates largely justifies the growing interest it arouses. In addition to its contribution to job creation, innovation, and the renewal of the economic fabric, entrepreneurship may be of interest to individuals who can find, in entrepreneurial situations and more particularly in business creation, sources of personal satisfaction.

One of the most common definitions of entrepreneurship consists in associating it, sometimes synonymously, with business creation. As Verstraete highlights in his definition, "entrepreneurship is a phenomenon leading to

the creation of an organization initiated by one or more individuals who have come together for the occasion” (Verstraete and Fayolle, 2005).

Business creation has today become a source of development and growth. It is based on two important elements: the entrepreneur and the environment. Entrepreneurship is considered a dynamic and complex process. It results from psychological, socio-cultural, political, and economic factors. It takes the form of attitudes, aptitudes, perceptions, norms, intentions, and behaviors that manifest themselves in a given context (N. Bony Koffi, 2017).

Business creation is the most visible manifestation of entrepreneurship. It unfolds in four phases: propensity, intention, decision, and the act of undertaking. The notion of entrepreneur is closely associated with that of business creation. The entrepreneur plays a key role in the creation of new organizations and therefore makes a major contribution to economic growth (F. Janssen, 2016).

Entrepreneurship has gradually imposed itself as the driving force of economic and social development throughout the world. Entrepreneurs are seen as the pillars of the market economy, and their activities as creators of value, jobs, and multiple advantages for

consumers. We live in a model of entrepreneurial economy that constitutes the political, social, and economic response to an economy based on knowledge and entrepreneurial capital, the latter representing the ability to engage in and generate entrepreneurial activity (S. Boutillier and D. Uzunidis, 2017).

Entrepreneurship is closely linked to the prevailing culture in a society. Whenever culture is at stake, the education system is obviously concerned. The education system, and in particular the university system, plays a key role in creating and disseminating an entrepreneurial culture. Most governments insist on the need to further raise students' awareness of entrepreneurship in order to stimulate value creation and thus economic development.

Given the evolution of the world of work that they will enter after their studies, today's students must be able to understand and integrate an economic, or even entrepreneurial, dimension into their professional approaches. Exposure to entrepreneurship can lead them to consider creating a new activity that generates value and jobs, or simply to take control of their professional future (Williams, G. and I. Kitaev, 2005).

Chapter 1: Entrepreneurship and the Entrepreneur

1. Entrepreneurship

Entrepreneurship, as an economic phenomenon, is a widely used concept in everyday language and has been the subject of several definitions.

1.1. Definitions

Definition 1

Entrepreneurship is a dynamic process of creating and exploiting a business opportunity by one or more individuals through the creation of new organizations for the purpose of creating value.

Definition 2

Entrepreneurship (or, in a slightly less common spelling, "entreprenariat"):

"Function of a person who mobilizes and manages human and material resources to create, develop, and establish businesses."

Entrepreneurship is a difficult activity and many business creations end in failure.

Definition 3

Entrepreneurship is defined as “the function of a person who mobilizes and manages human and material resources to create, develop, and establish businesses.”

As an economic and social phenomenon, the contributions of entrepreneurship to the economy and society are considerable and include:

- The creation of businesses in various fields of activity.
- Innovation and innovative opportunities.
- The development of the entrepreneurial spirit within companies and organizations.

****Definition 4****

“Entrepreneurship is the process by which individuals—alone or within organizations—pursue opportunities regardless of the resources they currently control.” (Stevenson and Jarillo, 1990).

****Definition 5****

“Entrepreneurship is the study of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited.” (Shane and Venkataraman, 2000).

1.2. “Entrepreneuriat” or “Entreprenariat”?

The correct spelling in French is always “entrepreneuriat” with “eu” and not “a”. Indeed, “entrepreneuriat” designates the activity of the entrepreneur, which is spelled with “eu” and not “a”. A mnemonic device is to remember that the entrepreneur is a “taker” (“preneur”) of any opportunity to grow his or her business.

Examples:

- Entrepreneurship is fashionable.
- Entrepreneurship is one of the solutions to reduce unemployment.
- Entrepreneurship is increasingly attracting younger generations.

“Entrepreneuriat” is often confused with “entreprenariat”, because functions ending in “-ariat” are usually spelled that way: “secrétariat” for “secrétaire”, “actionnariat” for “actionnaire”, “partenariat” for “partenaire”, “notariat” for “notaire”, “célibat” for “célibataire”, etc.

2. The Entrepreneur

The entrepreneur creates the business and assumes responsibility for its proper functioning. For an

entrepreneur, the goal is to generate profit. To be able to create a business and ensure its sustainability, an entrepreneur must have capital and know how to manage it.

2.1. Definitions

Today, the Petit Robert dictionary gives three definitions of the word "entrepreneur":

- The first refers to the act of undertaking: "an entrepreneur" is someone who undertakes something.
- The second sees the entrepreneur as "a person who takes charge of carrying out a task."
- The third, from an economic perspective, considers as an entrepreneur "any person who runs a business on his or her own account and who combines various factors of production (natural resources, capital, labor) in order to sell products or services."

Joseph Schumpeter restores an important place to the entrepreneur by designating him as "the man of innovation". Because he embodies and bears the risk of innovation, his drive ensures its success:

"The entrepreneur is a man whose economic horizons are broad and whose energy is sufficient to overcome the

propensity to routine and to carry out innovations.” (J. A. Schumpeter, 2011).

In the eyes of entrepreneurship specialists, Richard Cantillon is their “father”, the one who, in a single work, *Essai sur la nature du commerce en général* (Essay on the Nature of Trade in General), managed to define the entrepreneur as “that individual who receives ‘uncertain wages’, as opposed to ‘people with fixed wages’.” (R. Cantillon, 2019).

2.2. The Different Reasons for Undertaking

Some of the reasons that lead people to entrepreneurship are as follows: 22.

- **Passion**

Passion is a powerful driver of creativity; it is also what enables people to overcome hard times. Passion is what allows a business to be sustained over the long term. You will also need to show energy to ensure the business endures over time.

- **The search for freedom**

Undertaking in search of freedom: I no longer want to be an employee; I want to be my own boss, decide when and where I work, and choose the tasks I carry out.

You must be aware that you will probably not work less than an employee, at least not at the beginning. The constraints of your activity may not allow you to take as much vacation as you would like, or exactly when you want. If you start your business alone, it is highly likely that you will often have to perform tasks you do not enjoy. Creating a company is generally far from restful.

- ****The need for personal fulfillment****

Undertaking to be in harmony with one's values and needs. Do not forget that there will certainly be compromises to make and less pleasant tasks to perform. You will need to think about how to maintain a satisfactory balance between what you accept and what you do not.

- ****Money****

Undertaking to become rich: I have a brilliant idea that will make me rich quickly. If this is your main motivation, make sure that this idea holds up clearly by studying your competitors' profits and drawing up a business plan. The beginnings of a business are usually not very profitable. It may sometimes take several months, even several years, before enough profit is generated to cover a salary. Are you ready to wait as long as necessary?

- ****Social duty****

Undertaking out of conviction: things must change, I know how to change them, I have a duty to act to help society, I want to be useful. Ideas and habits generally take time to change. You will therefore have to be persuasive in order to convince as many people as possible (partners, investors, etc.) that what you are proposing brings added value to them and to society. Arm yourself with patience!

- ****Creating one's own job****

Undertaking to take one's life into one's own hands: I cannot find a job, so I will create my own job to make up for the lack of employment. This is a good idea, but be aware that a job seeker must find an employer, whereas a business owner must find clients. Depending on the type of activity developed, profits will appear in the short or long term. Therefore, plan a small financial buffer to cover your needs while waiting for your profits to be sufficient to pay yourself.

- ****Innovation****

Undertaking to innovate: I have an idea that does not yet exist and that will revolutionize the world. This is great, but study the market carefully before launching in order to be sure that your idea is not already present elsewhere and to understand why it has not yet been implemented. Does it meet a demand? Is it possible to implement it? Or am I

simply the first genius to have had this idea? If that is the case, go for it!

- ****Perpetuating a family tradition****

Undertaking to continue what my family started. Ask yourself whether you are doing this because you truly want to, because you are proud of this family business, because you believe in it and it excites you, or whether it is more of an obligation or a default choice. Also ask yourself if you are ready to be professionally tied to your family and what type of relationship you intend to establish.

The reasons are multiple and this list is, of course, not exhaustive. Moreover, it is generally not a single factor but the combination of several factors that leads to the decision to create a business.

2.3. Entrepreneurship: Advantages and Disadvantages

****Advantages****

Entrepreneurs seek a work environment that differs from what is considered a “normal” job. They particularly appreciate:

- The complete absence of routine. Entrepreneurial days follow one another but are not alike: idea generation, accounting, product/service development, marketing... A business owner must know how to do (almost) everything.
- Freedom. An entrepreneur works for himself or herself and no one else. No more dealing with a superior's authority and orders. Yes, the boss is you.
- The taste for challenge. An entrepreneur has the possibility to stimulate the economy and create jobs. As such, the business owner often has a taste for adventure and the desire to excel and prove things to himself or herself.

****Disadvantages****

Becoming an entrepreneur is not so simple.

Entrepreneurship also presents many disadvantages that tarnish this appealing image of freedom and success:

- More work. Entrepreneurship requires a huge amount of time and work; expect at least 50 hours per week.
- Instability. Entering entrepreneurship means accepting an unstable professional life. You are never sure of having a salary at the end of the month, and the amount is always variable.
- Pressure. Without a fixed salary, you live with a certain level of pressure: will you be able to pay your rent at the end of the month? What will happen if you lose your

biggest client? If you have to stop everything, how will you pay your overheads? What about your employees?

The major responsibility of a business owner, as exciting as it may be, generates many concerns and risks. You must learn to live with this constant pressure.

2.4. Qualities that Will Help the Entrepreneur Carry Out the Project

When you plan to start a business, you may wonder whether you have the right profile for such a situation. There are several essential qualities when you wish to undertake:

- Being curious: it is essential to continuously stay informed about new developments in your field.
- Being patient: success will not come immediately.
- Not being afraid of failure: the end of a business is not necessarily synonymous with failure. It is also a set of lessons learned, experiences and encounters, the start of a new life, new projects, new encounters, new possibilities.
- Stepping out of your comfort zone: you will sometimes have to force yourself to do things you are not used to in order to make your business known.

- Telling a compelling story about your project: to undertake is to tell yourself a story—the story of a new life, a new project. You will need to get others to embrace your story.
- Taking customer feedback into account, even when it is negative. Although it is not easy to accept, you will need to consider this feedback and adapt your service or product accordingly without betraying the essence of your business. This will require putting your ego aside and separating your business from your own person.
- Talking about your idea: you will have to confront yourself and your idea with the outside world. This will allow you to collect the opinions of your potential future clients.
- Delegating certain tasks: accepting to work with other people whose skills complement your own.
- Daring to take risks: you must enjoy challenges and have a certain resilience to stress. You will need to take risks to turn your idea into reality.
- Being capable of resilience: being an entrepreneur requires a strong capacity for adaptation. Being able to bounce back in the event of unforeseen circumstances is an essential quality.
- Being persistent: not giving up at the first difficulty and pushing yourself to successfully complete your projects.

Being free, being a full actor in one's professional life, having a life that has meaning, being useful, being

autonomous, being versatile, being rich, being happy at work, being true to oneself—these are all notions that make people dream.

3. Being an Entrepreneur: A State of Mind

An entrepreneur, before being a creator of value and someone who offers a product or service, is first and foremost defined by a state of mind: taking responsibility, accepting risk, and persevering in that direction. It is about providing a new response to a challenge through an innovative product or a reinvented service.

An entrepreneur already stands out through a particular personality, because he or she invests not only financially, but also materially and personally in every link of the company's value chain. Without necessarily being a specialist technician in the field, his or her main asset is strong managerial capacity, which enables him or her to help the business achieve its objectives. The entrepreneur's personal involvement goes beyond the labor law framework: he or she is present wherever and whenever needed.

The entrepreneurial spirit is a valuable asset in all aspects of professional and social life, not only in the context of business creation.

In practice, everyone has the possibility of embarking on entrepreneurship. However, certain qualities are required to be a good entrepreneur. These include:

- Creativity: an entrepreneur must find innovative ideas to stand out and continually renew his or her offer. Creativity is essential for an entrepreneur; it is even what distinguishes him or her in the market and what will convince clients and partners to choose him or her rather than a competitor. Creativity is not just a technical skill; it is a way of looking at the world and one's market in order to invent a new product or service that will find its customers. Thinking creatively does not fall from the sky; it is a working method.

- Perseverance: any entrepreneurial project is bound to encounter failures, difficulties, and friction. Success may not come right away, and you will most likely experience a number of setbacks. Do not panic; this is completely normal. Failure is part of life and business, and it can take different forms and occur at different times. Above all, you must learn to distinguish between failures you can influence and those beyond your control. In both cases, you must not let them undermine your determination, but

instead draw the right lessons from them—systematically. This is how you will build your resilience.

- Humility and the desire to excel: between perseverance and stubbornness, there is only a fine line; the same goes for self-confidence and arrogance. An entrepreneur is able to question himself or herself, listen to the environment, and change behavior, strategy, and philosophy based on what is learned. Life is an information loop—information from which you must feed yourself to grow and mature, both as a person and within your business. If an idea does not take off, it may be better to abandon it, even if you find it brilliant otherwise. Surround yourself with people who are better than you in certain areas and whom you can trust. If your collaborators make suggestions, do not dismiss them before confronting them with your own ideas. Be open, both to criticism and self-reflection, and do not hesitate to learn from the best. An entrepreneur must constantly question himself or herself, step back, and accept criticism in order to improve.

- Willpower: an entrepreneur must be dynamic and ambitious to carry out his or her project.

- Rigor and organization: an entrepreneur must be structured in order for the business to succeed.

The reasons for creating a business or undertaking a project are numerous and depend on each person. Not everyone has the same appetite for launching into a

project, and some people believe they do not have what it takes to get started. Within the population, one person in ten is thought to have an entrepreneurial profile. A large number of students could thus become entrepreneurs; in other words, they would exhibit characteristics generally shared by entrepreneurs.

Chapter 2: Innovation and Opportunity

1. Innovation

Innovation has become a kind of totem in a society driven by speed and novelty, to the point that any activity must claim to be innovative in order to be taken seriously, funded, or considered.

1.1. Definitions

Definition 1

“Innovation consists of introducing something new, as yet unknown, into something already established.” (Le Petit Robert).

Definition 2

“Innovation is the constant search for improvements to what already exists, as opposed to invention, which aims to create something new.” (Jean-Pierre Leac, 2020).

****Definition 3****

“Innovation refers to the introduction to the market of a product or process that is new or significantly improved compared to those previously developed by the legal entity.” (INSEE, 2010).

****Definition 4****

According to the Oslo Manual, innovation is: “the implementation—commercialization or introduction—by a firm, and for the first time, of a product (good or service) or a process (production process) that is new or significantly improved, a new marketing method, or a new organizational method in business practices, workplace organization, or external relations.”

1.2. Different Types of Innovation

Introducing something new into an area of economic life can take several forms.

By form:

- Product innovation (computer, mobile phone, etc.).

- Process innovation (production lines, automation, etc.).
- Organizational innovation (autonomous work groups, total quality, etc.).
- Distribution innovation (online sales, etc.).

By degree of novelty:

- Incremental (gradual) innovation.
- Radical innovation (which can introduce a major disruption).

An innovation can start from an existing situation and seek to bring improvements. Innovation can be the result of an initiative or be perceived as a necessity or obligation. It can be technological, social, organizational, etc.

Innovation is one of the fundamental driving forces behind a company's development, but it exposes the company to risks and constraints that must be controlled.

1.3. The Innovation Process

The innovation process comprises several stages, each of which must be handled separately, with clear conditions for moving on to the next stage.

Five stages mark the maturation process of an innovative project:

- Identify and collect ideas.
- Turn ideas into projects.
- Validate feasibility in order to validate the concept.
- Develop the concept into an efficient solution.
- Deploy the solution to create value.

1.4. Typology of Innovative Projects

- **Projects with low development potential**: few risks and little value; the entrepreneur knows his or her trade and industry, is pragmatic, seeks mainly self-employment, with centralized and simple management.
- **Projects with high development potential**: few risks but high value potential; the entrepreneur is innovative, ambitious, a leader and a good manager; the project does not require significant capital but needs protection and rapid evolution in the market.
- **“Big game” projects**: high level of risk and high value potential; the entrepreneur is a highly skilled professional recognized for his or her competencies, mobilizes substantial capital and qualified human resources; errors are not or barely tolerated.
- **“Dead-end” projects**: high risks and low value; the entrepreneur tends to have social and political motivations

rather than financial ones and possesses an important personal network; tolerance for mistakes is limited.

2. Opportunity

2.1. From Idea to Business Opportunity

An opportunity can be understood as an opportunity to create a new business (or activity), to take over an existing business (or activity), or to develop an innovation within an existing company.

For Schumpeter, the entrepreneurial opportunity results from “a new combination of the factors of production, which manifests itself in the introduction of a new product, a new production method, the exploitation of a new market, the conquest of a new source of supply, and ultimately a new form of industrial organization” (Schumpeter, 1935).

Not all entrepreneurial ideas are genuine opportunities. It is not enough to have an idea to guarantee success.

- Idea = perception of a potential for creating an entrepreneurial initiative.

- Observation of the professional environment.
- Observation of everyday life.
- The project initiator's know-how.
- Specialized websites and databases.

Opportunities for business creation are easy to find but difficult to evaluate. Entrepreneurship is essentially about creating an activity that solves a problem.

A "good opportunity" has the potential to create significant value for identified customers.

2.4. What Is a Good Opportunity?

****Versus the market****

A good opportunity creates significant value for an identified client who has a clearly perceived "pain" or "need/desire." The intensity of the pain is related to the value created.

****Versus the entrepreneur****

A good opportunity is the one that best matches the entrepreneur's capabilities and the resources available or that can be obtained.

2.5. Impact of Opportunity Selection on Strategy

- Opportunity = conjunction of favorable circumstances identified thanks to the entrepreneur's ideas and creativity, providing a good probability of creating a profitable business.

An opportunity is attractive, durable, can be projected over time, and is based on a product or service that creates value for the entrepreneur and for more or less clearly identified customers.

2.2. Categories of Opportunities

Examples of opportunity categories:

- Increasing the value of a product or service.
- New application of an existing technology.
- Creation of "mass markets".
- Customization of products or services.
- Facilitating access to the product.
- Working on logistics (supply chain).
- Convergence of technological and social changes.
- Innovation in the production process.
- Increasing the scale of the activity.

2.3. Where to Look for Opportunities?

- Observation of economic life.

You must select the opportunity that best matches your capabilities and the resources available or that you can secure. "Luck" essentially does not exist—or exists only when an opportunity matches adequate preparation.

An opportunity is essentially contextual. It depends on "who, how, and when":

- Who is looking at the opportunity?
- How is the opportunity going to be exploited?
- When does the window of opportunity open and when does it close?

2.6. The "Path" to Identifying the Opportunity

The "path" to opportunity combines an experienced entrepreneur and an innovative initiative that generates a perceptible and sustainable comparative advantage.

Chapter 3: Intrapreneurship

We often hear about entrepreneurship and in particular about famous entrepreneurs. What is less discussed is intrapreneurship. What is it, and how does it differ from entrepreneurship?

1. Definitions

“Intrapreneurship is a set of methods and processes through which a person undertakes from within their own company. As its name suggests, it is therefore entrepreneurship on the inside. Thus, an intrapreneur is both an employee and an entrepreneur who develops a relevant project for his or her organization.”

“Intrapreneurship is a concept that consists in making employees more responsible within the company by valuing their ideas and turning them into a profitable model for the company. The company assumes the risks and losses if the intrapreneur’s project fails.

It is the combination of the employee’s responsibilities and his or her entrepreneurial skills that creates an intrapreneur. An intrapreneur is the employee who seizes an opportunity, develops an idea, and takes it to the next level for the benefit of the company.”

Intrapreneurship is an entrepreneurial approach within an existing company. The company (often medium or large) hosts and nurtures innovative projects that are born within it. Intrapreneurship helps to recognize and reward

employees' role and initiative, as they then become "intrapreneurs."

2. Characteristics of Intrapreneurship

Intrapreneurs are often wrongly conceptualized as standard entrepreneurs. They are indeed entrepreneurs, but in the skin of employees.

Key characteristics include:

- Diversity: Intrapreneurship encourages teams composed of people of different genders, ages, cultures, and specializations.
- Innovative approach: It is a creative initiative for the progress of both the employee and the company.
- Value-creation concept: An intrapreneur adds value to an existing company by improving products, services, methods, or perceptions.
- Mutual benefit: Through intrapreneurship, the employee gains responsibility and recognition, while the company experiences significant growth.
- No financial investment required from the intrapreneur: The intrapreneur is the brains behind the idea but does not need to invest money; the company finances the project at every stage.

- Profit-sharing agreements: In many companies, a profit-sharing arrangement is signed between the company and the employee.

3. Intrapreneurship: Advantages and Disadvantages

Unlike entrepreneurship, intrapreneurship is a form of activity creation that develops within existing companies.

3.1. Major Advantages of Intrapreneurship

For employee–intrapreneurs:

- The advantage of undertaking without leaving their job.
- A potential career accelerator.
- Increased autonomy and responsibility, with a more meaningful role.
- The ability to test themselves and grow without taking financial risks.

For companies:

- Helps large groups retain their best talent and benefit from their dynamism; it serves as a genuine human resources management policy.
- Provides new growth opportunities for companies lacking innovation.

- Introduces a “start-up” mode of operation into hierarchical or administrative structures.
- Rejuvenates the image of traditional companies.

~~###~~ 3.2. Constraints and Disadvantages of Intrapreneurship

For the intrapreneur:

- Must gain autonomy and even self-manage, which may mean a heavier workload and more stress.
- Does not own the activity created, which may be a source of demotivation.
- Is not fully free in his or her actions: the project must fit into the company’s overall strategy.
- In case of failure, the intrapreneur may feel weakened.

For the company:

- Developing intrapreneurship cannot be improvised; it requires thorough preparation and structuring to identify, recruit, and manage intrapreneurs. The company must communicate internally, validate projects, and support intrapreneurs.
- Intrapreneurial projects can be very resource-intensive and are not guaranteed to succeed.

- The development of intrapreneurship may disrupt the company's entire hierarchical balance.

4. Qualities of the Intrapreneur

An intrapreneur is a salaried employee who shows particular qualities:

- A taste for autonomy and independence.
- A genuine desire to take on responsibilities.
- Strong managerial potential.
- Loyalty to the company and its strategy.

Not all employees have an intrapreneurial mindset.

5. Differences Between Intrapreneurs and Entrepreneurs

The terms entrepreneur and intrapreneur are very close semantically, which often leads to confusion. Yet, an entrepreneur is not an intrapreneur and vice versa; the two profiles differ on many points.

The main difference lies in the ownership of the business at the heart of the innovative project. The entrepreneur owns the company because he or she created it, whereas the intrapreneur acts within a company that does not

belong to him or her and in which he or she is a salaried employee.

As a result, the intrapreneur takes fewer risks and has less autonomy than the entrepreneur, but the benefits he or she receives from the project's success are also smaller.

The entrepreneur faces greater pressure—less time to realize the project, the need to find all necessary resources, and the duty to make decisions alone—while the intrapreneur can rely on the company's resources and often shares decision-making with others.

6. Common Points Between Entrepreneurs and Intrapreneurs

The intrapreneur must display an entrepreneurial mindset to successfully carry out an intrapreneurial project. Both profiles therefore logically share common traits and competencies: creativity, innovation, passion, the ability to inspire others, dynamism, motivation, a desire to move forward, perseverance, and a certain degree of autonomy.

7. What Can a Company Do to Encourage Intrapreneurship?

- Seek out and encourage intrapreneurial spirit.

- Give employees the possibility to take ownership of projects.
- Make risk-taking and failure acceptable.
- Train employees in innovation.
- Give employees time outside the strict limits of their job description.
- Encourage networking and collaboration.
- Reward intrapreneurial thinking and activity.

Chapter 4: Business Creation

1. The Firm: Definition, Goals, and Classification

Companies show very diverse performance: some grow very quickly, others disappear, and some experience spectacular turnarounds.

1.1. Definition

A firm is an open, goal-oriented, managed system, a production and distribution unit, a social cell, a human community, etc., which operates within a given environment.

1.1.1. What Is a System?

“A system is a set of elements logically connected to each other, which together contribute to achieving a common objective.”

“A system is a set of elements in dynamic interaction, organized with a view to a goal.”

Almost everything in daily life is linked to a system, and what stands out when we examine our environment is its organization.

We can adopt the following definition: “A system is a set of components arranged in an orderly and structured way, oriented toward a specific result.”

A system is made up of interacting elements; it is not a mere juxtaposition of elements but a coherently organized whole directed toward a goal: the whole is different from the sum of its parts.

1.1.2. Components of a System

A system transforms inputs into outputs. A system does not exist if it has not been assigned a goal. The concept of system is inseparable from the notion of objective and

feedback. Feedback makes it possible to regulate the system and to keep it able to correctly achieve its goal.

There are closed systems, that is, systems without links to the environment, and open systems that maintain relationships with their environment.

The firm obtains from the outside the raw materials it uses to manufacture products, which it then sells back to its environment. These operations force the firm to constantly adapt to its environment.

1.1.3. The Firm and Its Systems

- The firm is an open, goal-oriented, and managed system. It pursues goals (profit, power, continuity), o