

INNOVATION, ENTREPRENEURSHIP MARKETING & INDUSTRIALIZATION

Dr Ilan Bijaoui

2009

ibii@013net.net

972524402266



PROGRAM

- **Human Capital:** Subsistence Versius Motivation, Cooperation and Leadership
- **Business Analysis:** Vision, Mission; Opportunities, Markets, Products and Innovation
- **Case studies in Nepal and Israeli knowledge**
- **The Concept of Cluster and Open Incubator**

HUMAN CAPITAL



ENTREPRENEURIAL REFLECTION

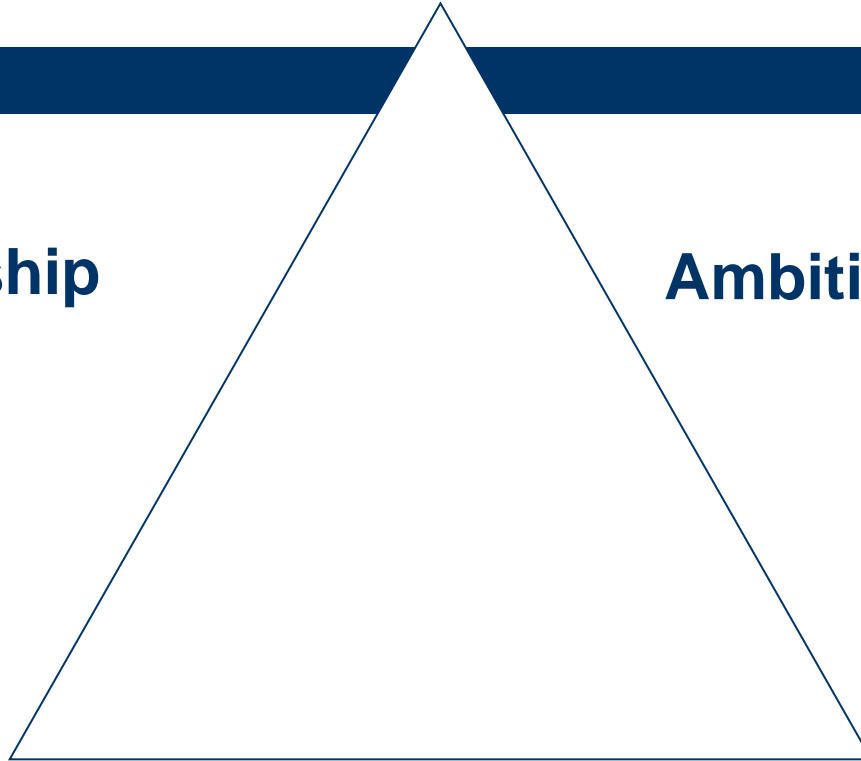
- Creativity and curiosity
- Motivated by the success
- Ready to take risk
- Ready to cooperate
- Able to identify opportunities

Entrepreneurial Drivers

Leadership

Ambition

Cooperation

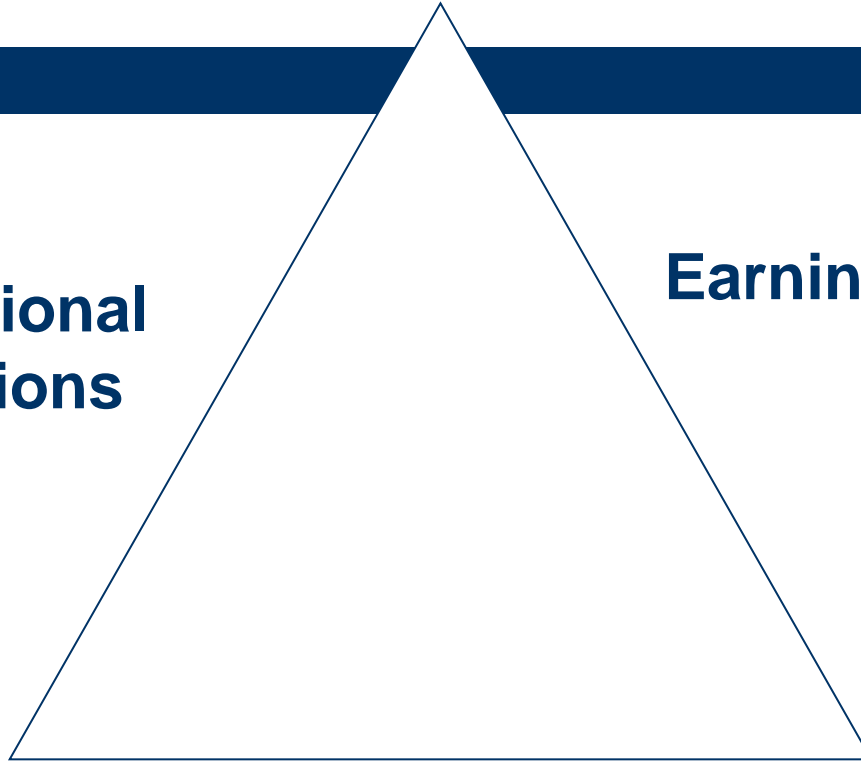


Motivations

**Professional
Conditions**

Earning Conditions

Working Conditions



Macclelland's Learning Needs Theory

- **Need for Achievement:** Personal responsibility, calculated risks, performance feedback. Task accomplishment
- **Need for Affiliation:** approval, conform to wishes and norms, interest in the feeling of others
- **Need for Power:** Influence, exercise control, lead follower relations. Personal and social power

The Entrepreneurial Team

Creativity

High

INVENTOR

ENTREPRENEUR

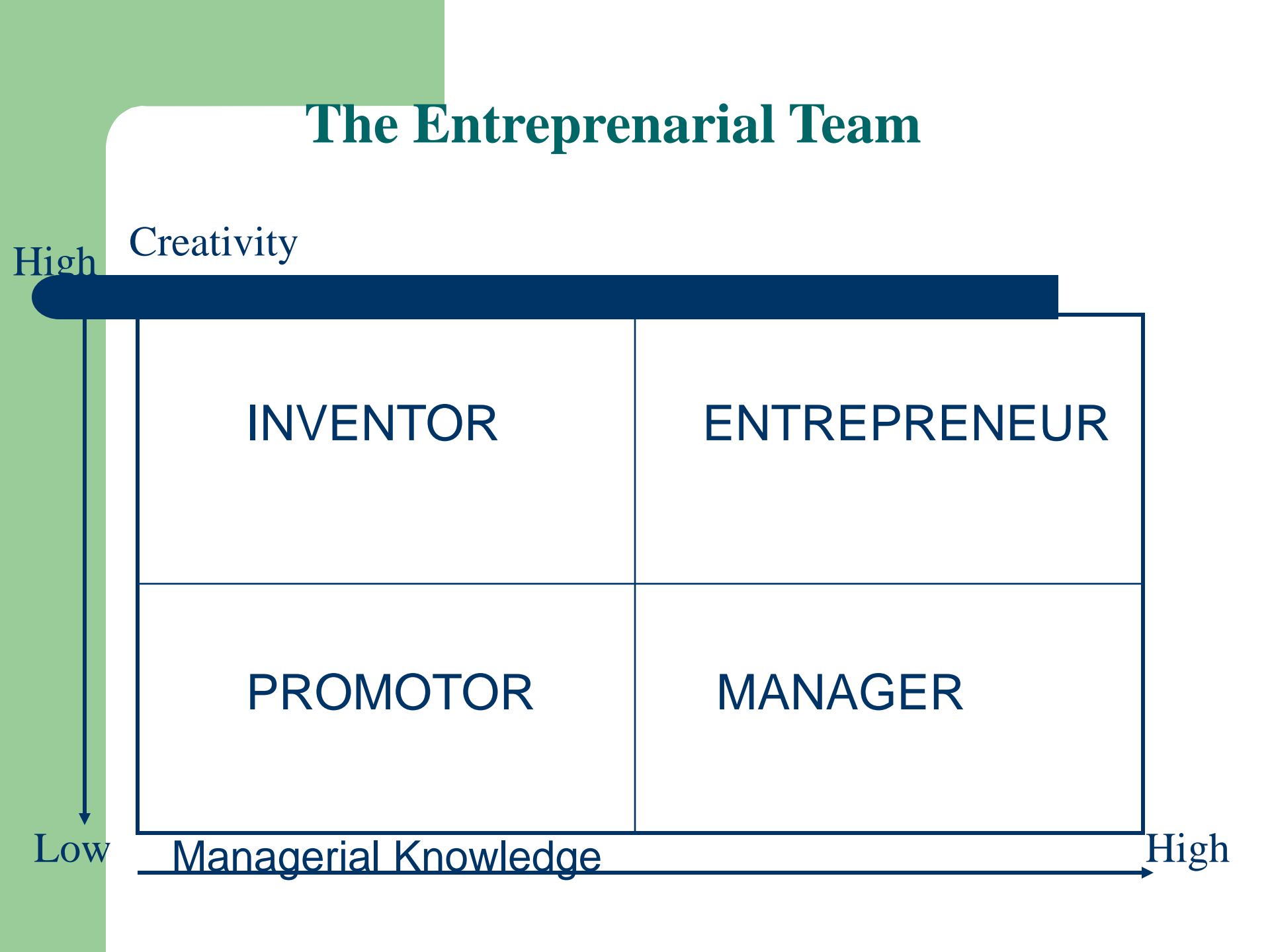
PROMOTOR

MANAGER

Low

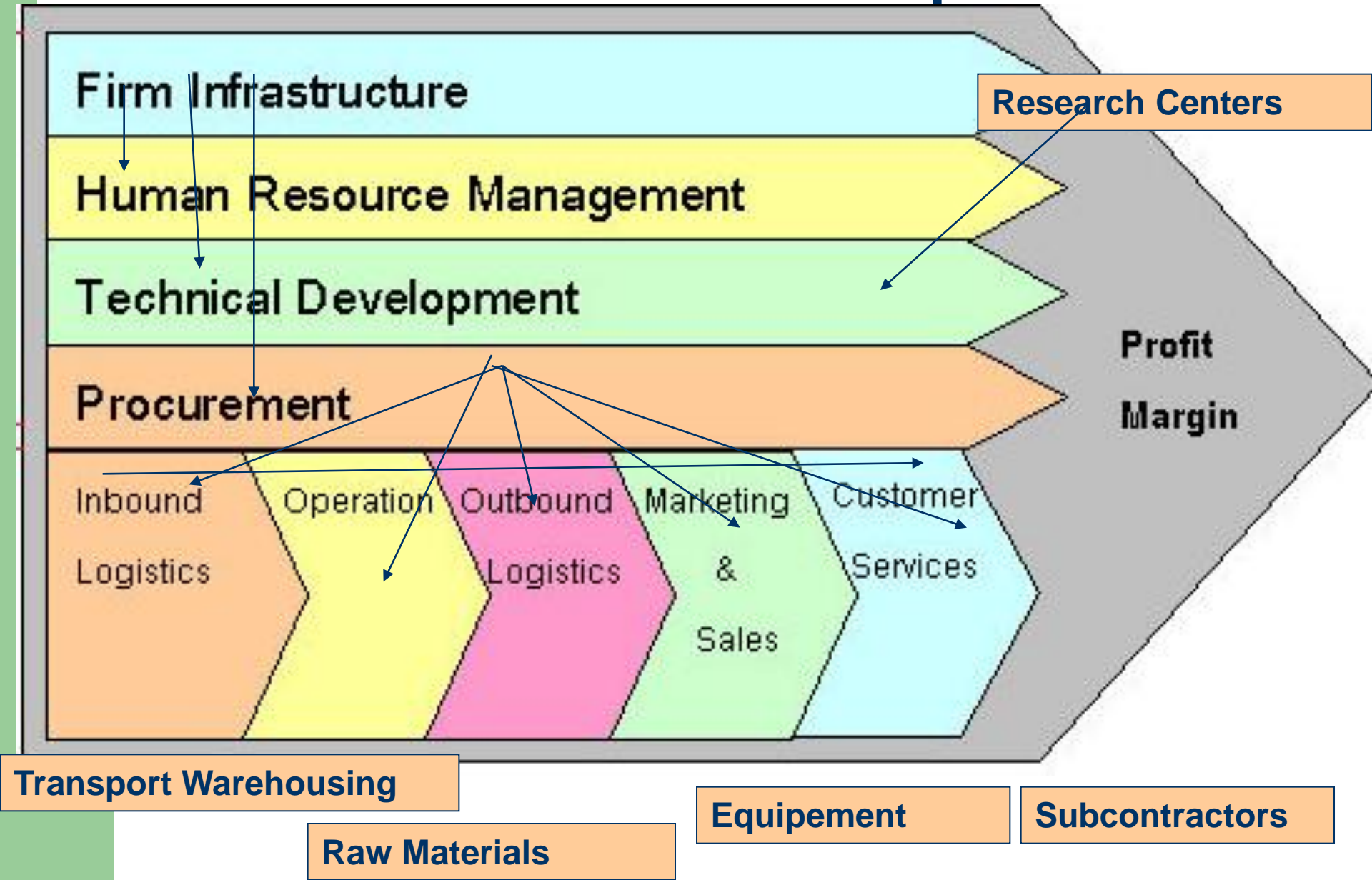
Managerial Knowledge

High



The Value Chain

Internal and External Cooperation



LEADERSHIP

- Style
- Personal features
- Competencies
- Role

Styles

- **Autocratic Leaders:**

Leaders who tend to make unilateral decisions.

- **Democratic Leaders**

Leaders who tend to involve the group in decision taking.

- **Laissez Faire Leaders**

Leaders who generally give the group complete freedom.

ECONOMIC ANALYSIS



- ***Mission:*** What business are we in? What are we doing now?
- ***Vision:*** What do we want to become? To achieve

- **Lexmark mission:** A leading developer, manufacturer and supplier of printing and imaging solutions for offices and homes
- **Lexmark vision:** Customers for life

African Development Bank



strive to become the leading development
finance institution in Africa,

Bank for Agriculture and Agricultural Cooperatives Thailand

Vision

"To be a secured rural development bank with modern managerial technology focusing on the uplift of small-scale farmer's quality of life"

Mission

To become a full-fledged rural development bank, BAAC has specified four important Missions :

1. To provide sufficient sources of funds
2. To provide credit services.
3. To develop new services for farmers
4. To develop and provide services to promote good quality of life for farmers

ADBL

Vision

To be the pre-eminent bank, providing services throughout Nepal.

Mission

To deliver comprehensive banking and financial services, capitalizing its extensive network in rural areas.

Objective

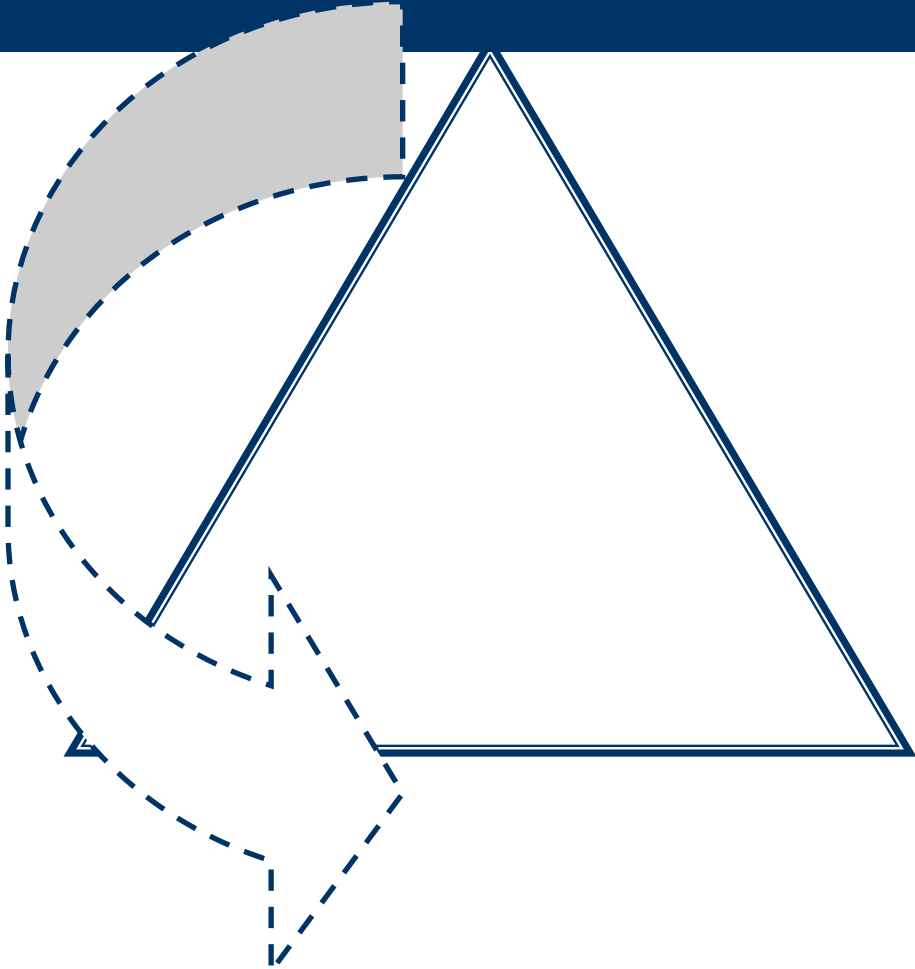
To provide quality banking and financial services to clients adopting market driven strategy delivering sustained and competitive return on investment.

Opportunities, Markets, Products & Innovation



Timmons Model

OPPORTUNITY DRIVEN



TEAM

RESOURCES

DEVELOPMENT OF ECONOMIC STRATEGY

ENVIRONMENTAL CONDITIONS-TRENDS

Geography, Demography, Culture,
Economy, Technology Politic, Legal

CHOICE OF PRODUCTS & MARKETS

Economic Strategy
Product/Customer/Promotion/Place/Price

DISTINCTIVE COMPETENCE

Functional, Financial, Organizational
Reputation, History

OPPORTUNITIES & RISKS

Identification
Inquiry
Assessment of Risk

CORPORATE RESOURCES

Strengths & Weaknesses
Increasing Capability

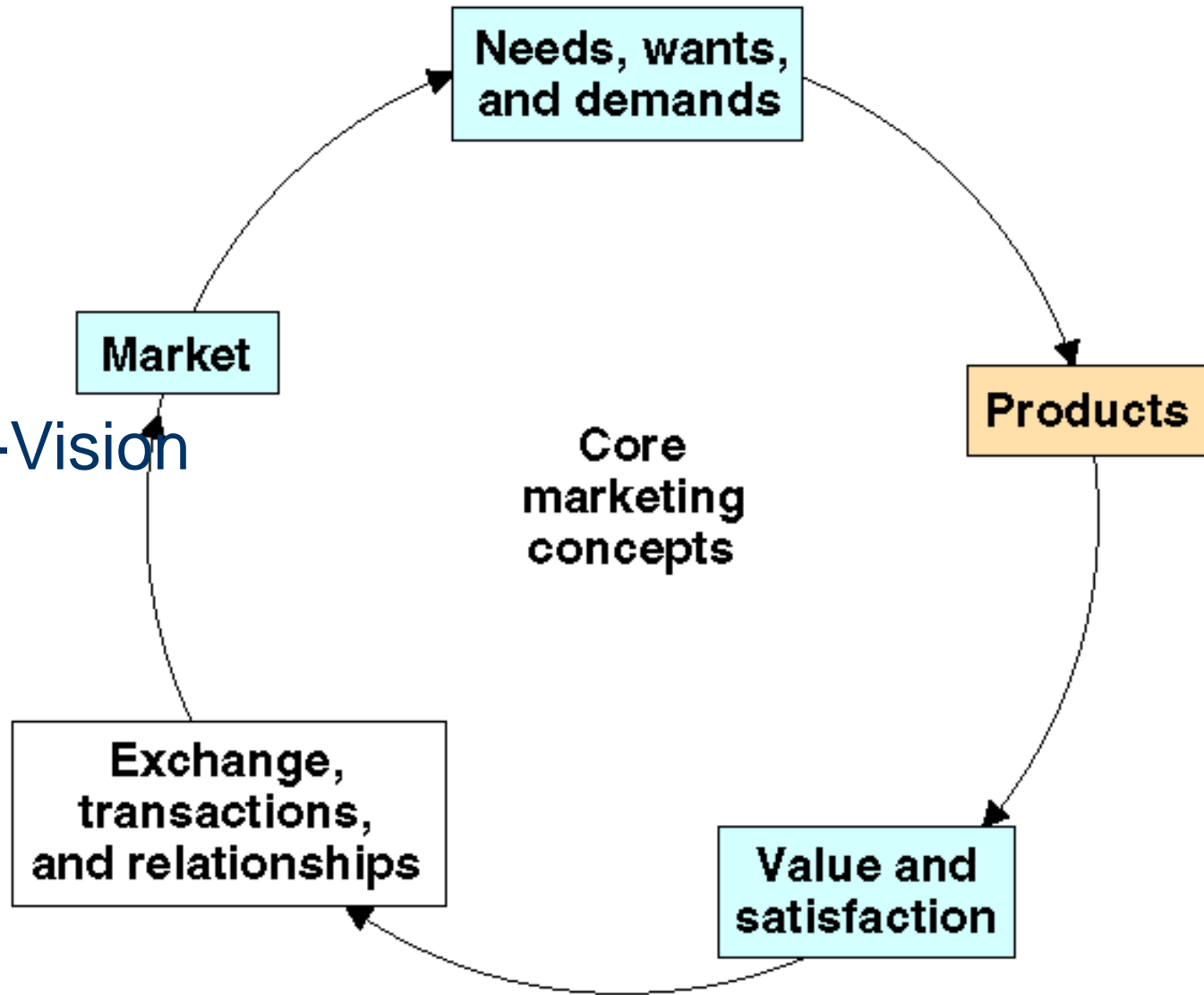
Evaluation Process

Human Capital

Mission - Vision

Distinctive Competence Opportunity SWOT	Segmentation and Price Strategy	Price Strategy	Product Strategy
Promotion	Distribution	Competition	Financial Analysis

Core marketing concepts



Mission-Vision

NEED



WANT



Adrienna



**Prinally High
lycopene content**



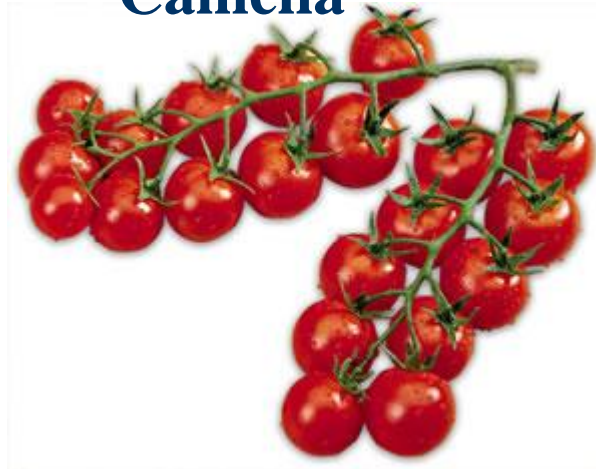
WANT

DEMAND

Recital



Camelia



Types of Innovation

Product, Technology and Market Innovation:

The creative development and commercialization of radically new products, often grounded in new technology and linked to unmet customer needs

Process Innovation:

The development of new ways of producing products that lead to advantage in cost.

Innovation Axes

Market

Process Innovation



Product Technology

Product

m systems



modu
make new connections

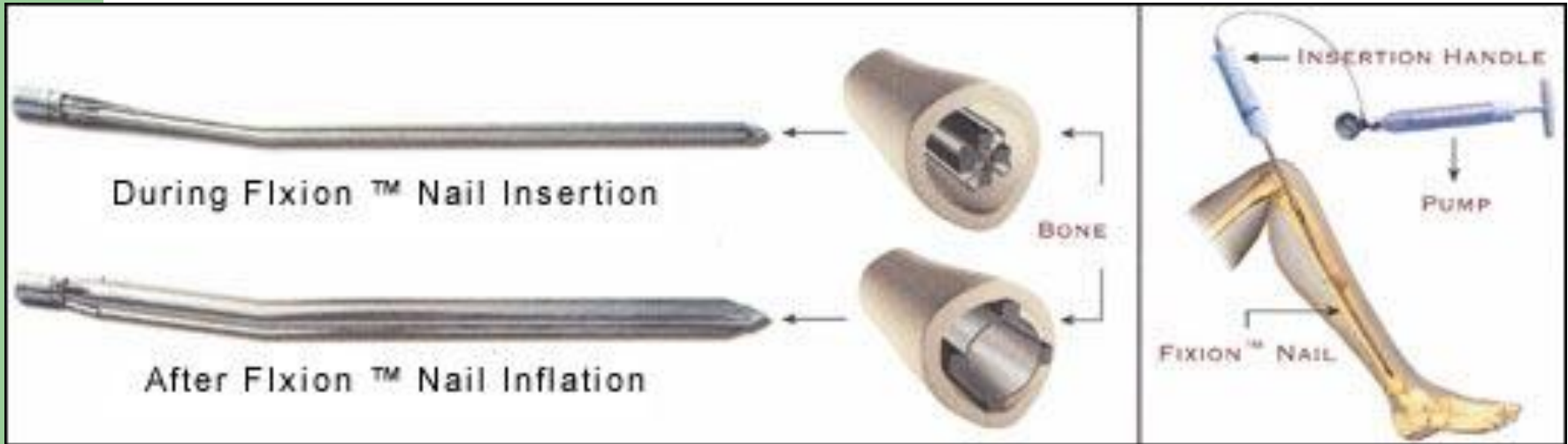




reliable personal storage in a range of densities for multimedia mobile handsets and digital cameras – from an industry leader and trusted partner.

DISC O TECH

Fixion™ IM (Intramedullary) Nail



Fixion™ IL (Interlocking) Nail



DISC O TECH

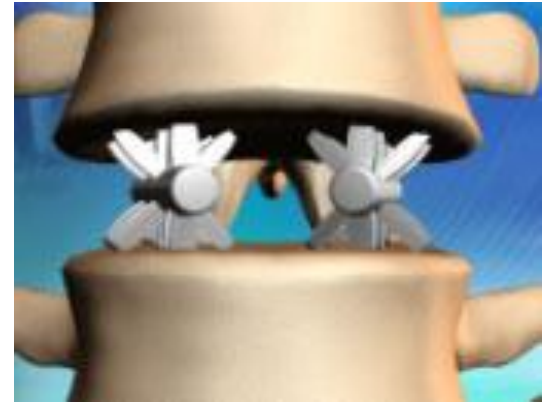
THE B-TWIN EXPANDABLE SPINAL SYSTEM



B-Twin Reduced Configuration
(5 mm diameter)



B-Twin Expanded Configuration
(up to 15 mm diameter)



Post-Operative (after expansion)
Anterior-Posterior View

Process Innovation

SoftXpand is a **software** that turns 1
computer **into up to 8 fully**
independent
computer workstations

MiniFrame's solutions

Main solutions

- Education
- Small Medium Businesses
- Call Centers
- Libraries
- Internet Cafés



Product Innovation



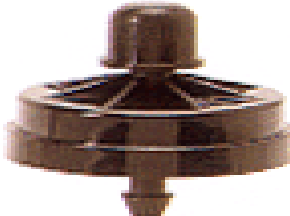
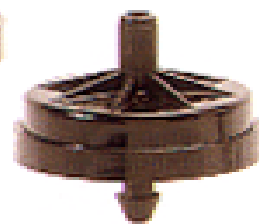
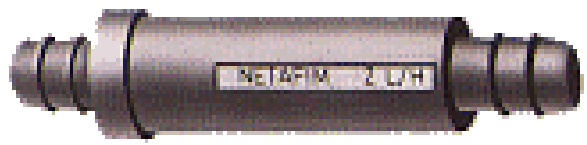
Galina High yield potential with TY resistance

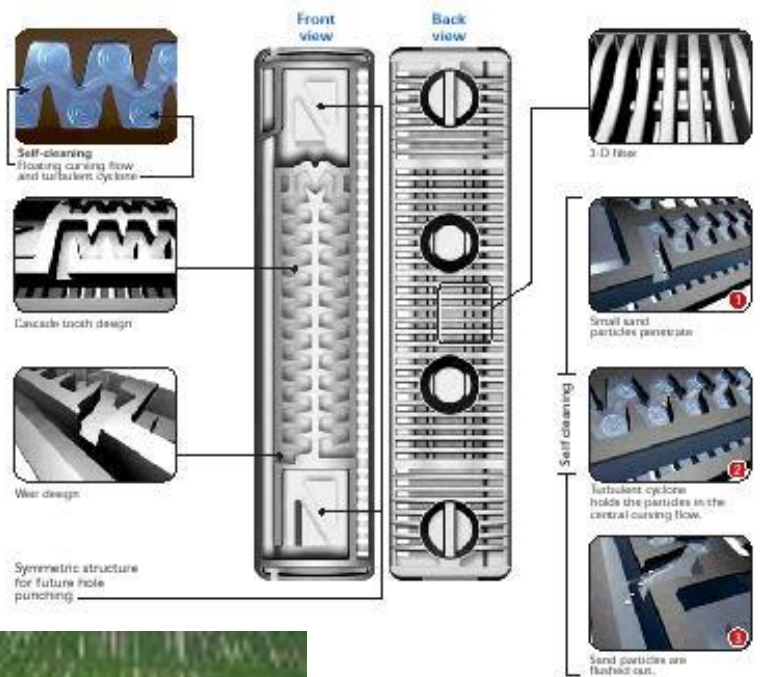
Av. Weight (gr.): 150-200



Galilea Strong, Fus3 resistant plant with high yield potential. High quality "Roma type" fruit with long shelf life.

Av. Weight (gr.): 100-120







Irrigation Systems



Vegetables orchard flowers



1.6 l/h



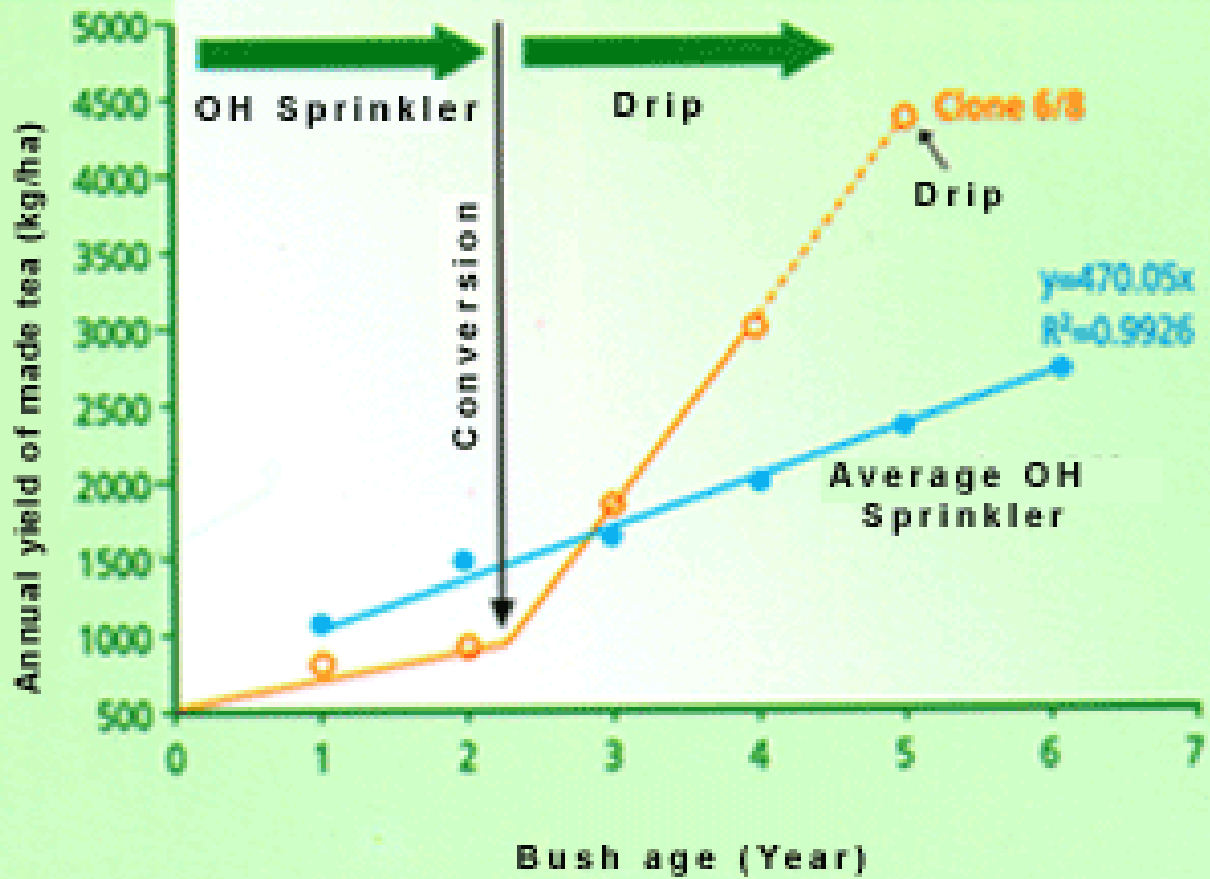
2.1 l/h



3.8 l/h







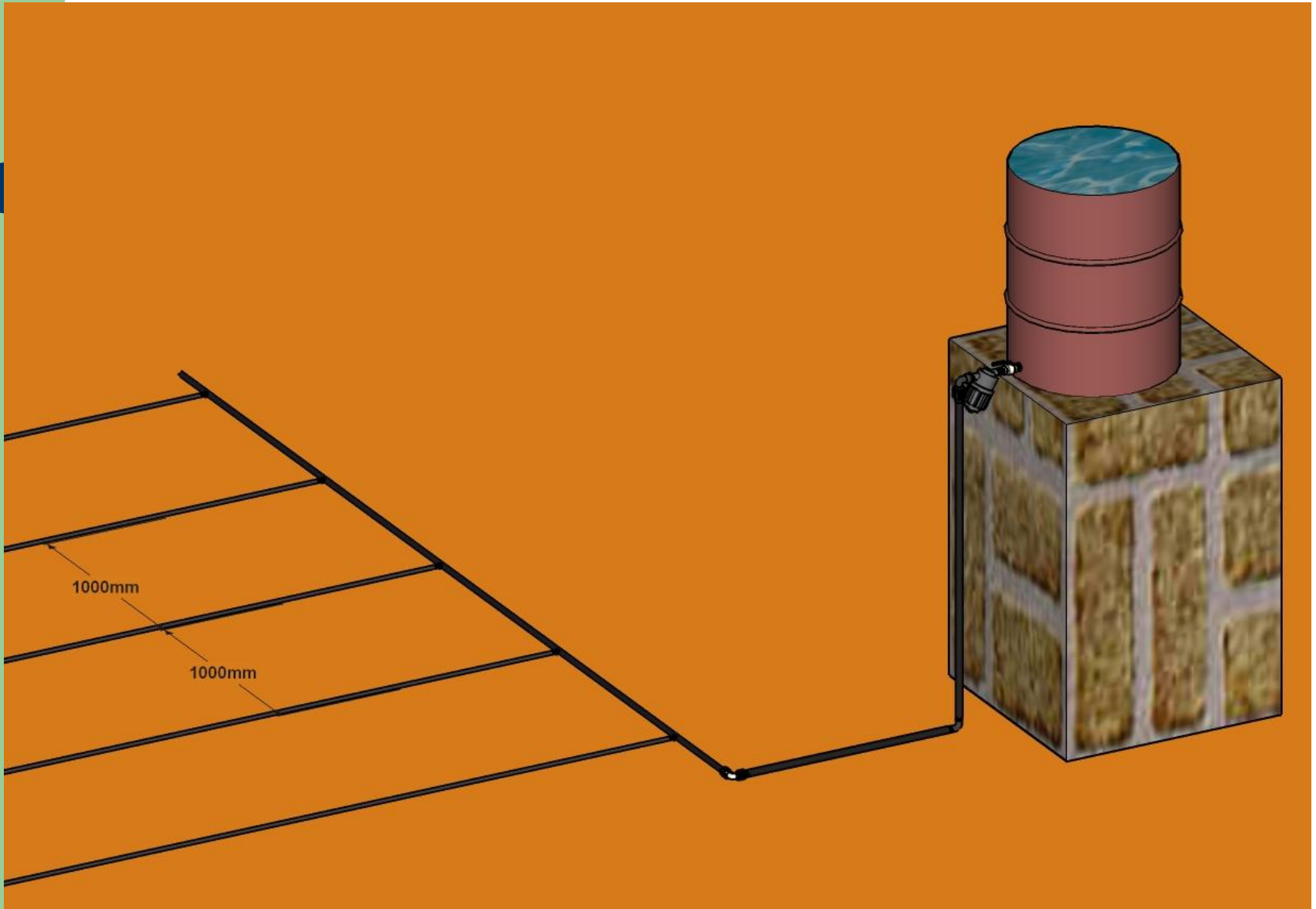
Drip Vs Overhead sprinklers irrigated immature tea clone 6/8 in South tanzania

Impact of Drip Irrigation on Applied Water, Yield and Applied Water Productivity in Potato (Manka)

Plot No.	Method of Irrigation	Per Sq. Meter Area		
		Water use (m ³)	Production (Kg)	Water Productivity (kg/m ³)
P - 1	Inline drip	0.420	0.375	0.893
P - 2	Easy drip	0.420	0.411	0.979
P - 3	Micro-tube drip	0.420	0.148	0.352
P - 4	Micro-Sprinkler	0.942	1.316	1.397
P - 5	Mini-Sprinkler	0.942	0.905	0.961

. Dinesh Kumar, Madar Samad, Upali Amarasinghe and O. P. Singh

Family drip system for 100 sq. meter



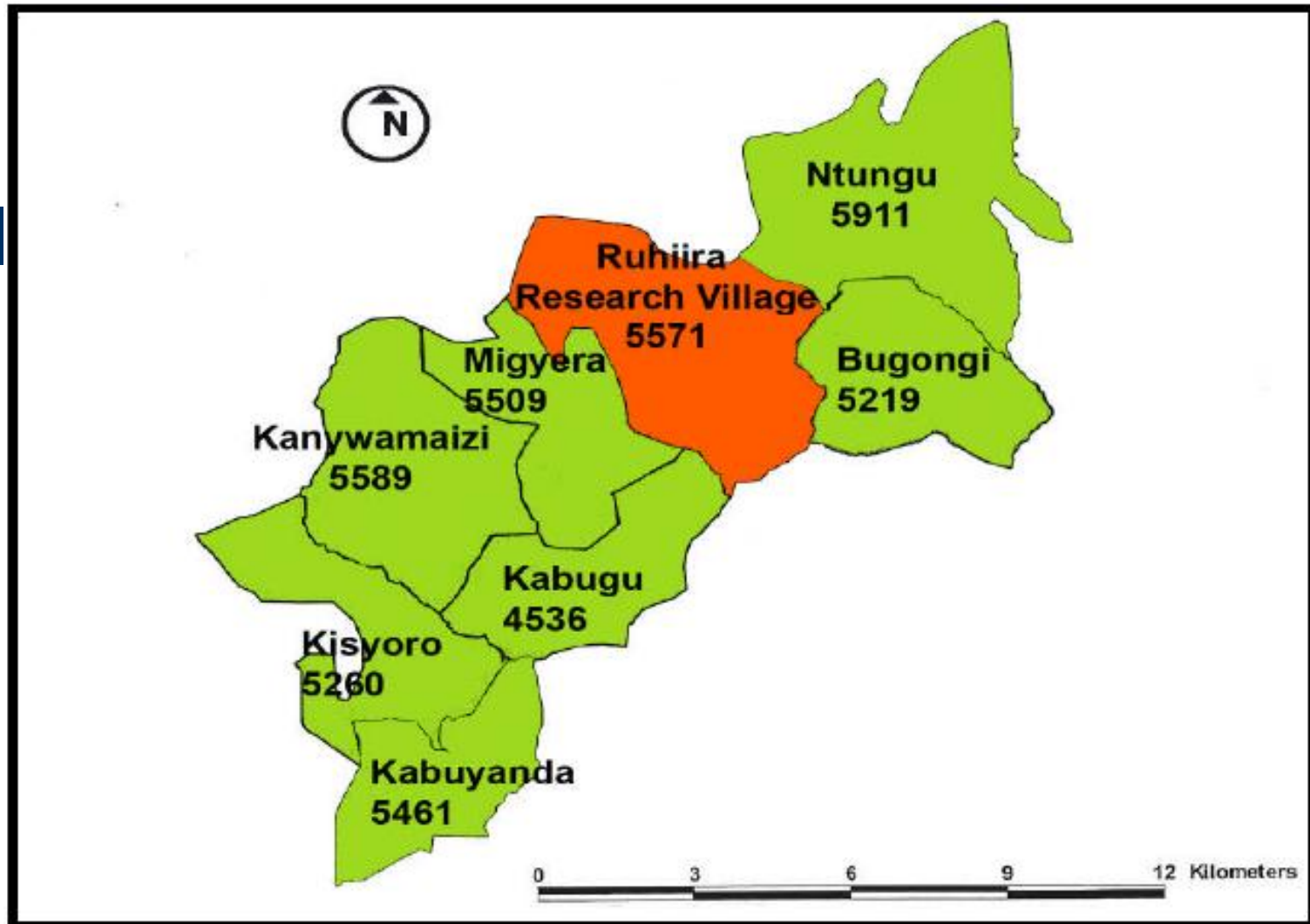


Programme Millenium Village

UGANDA



Figure 1.2 Ruhiira Millennium Village map



Source: Adapted from Tusingwire, MVP 2007









WASHER

Hot and Cold Water Brushing Unit



Innovative Packaging Solutions



Bulk Bags For "Fully Mature" Mango

Store "Fully Mature Mango" (waxed or non-waxed) for up to 35 days at 10°C (50°F)

Slows down ripening, Reduces weight loss

Preserves firmness and smoothness

Grain storage facilities







Campana Buffalo's Mozzarella Cheese



DOC (Certified Origin Brand) and DOP (Certified Provenance brand EEC)



BUFFALO MILK VERSUS COW MILK

Lower cholesterol content –

0.65 mg per gram as compared to 3.14 mg per gram for cow's milk.

Efficiency Ratio (PER) value of proteins to be 2.74, while that of cow's milk is 2.49

More minerals - calcium, iron, and phosphorus, which are higher by 92%, 37.7%, and 118% respectively than those in cow's milk.

More Vitamin A –

Source: Dairy India Book 1995-2000

MEAT NUTRITION FACTS

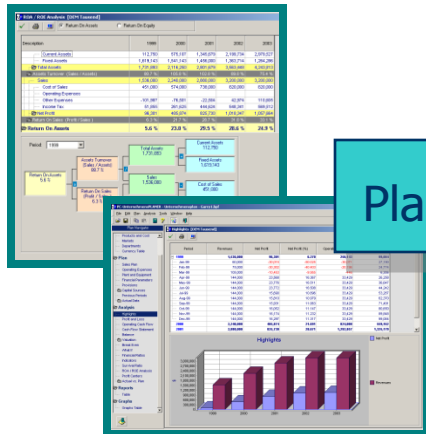
Species	Fat	Calories	Cholesterol	Saturated fat
(Buffalo	2.42 g	143 kcal	82 mg	0.91 g
Beef extra lean	16.33 g	256 kcal	84 mg	6.42 g
Pork	18.19 g	265 kcal	105 mg	5.15 g
Chicken*	3.57 g	165 kcal	85 mg	1.01 g

Source: USDA data



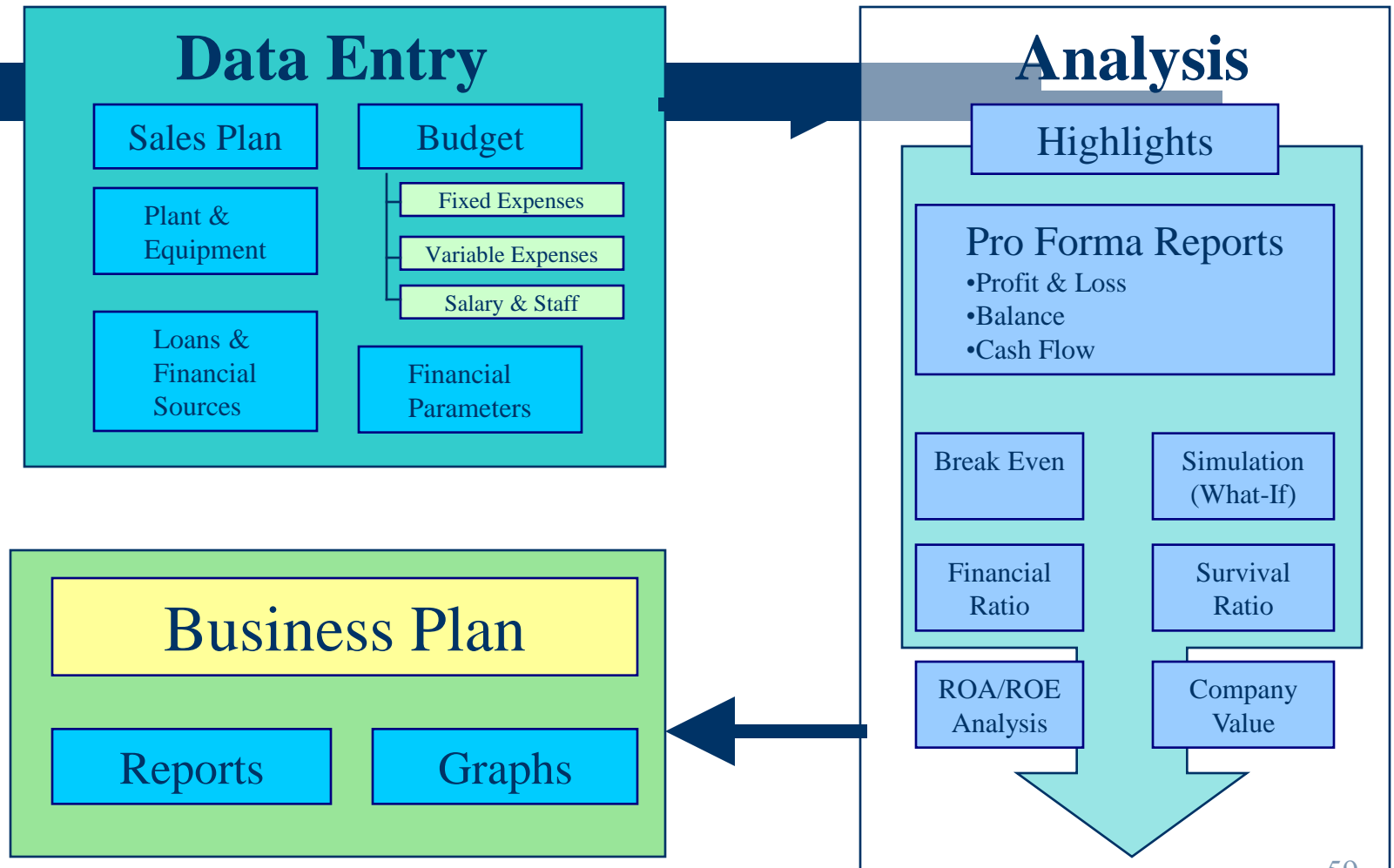
Planium Software Ltd.

Business Planner



Plan your business future and reduce business risks

Flowchart



Products & Costs

Product / Service	Costs of Manpower	Cost of Materials	Total Cost per unit
Product # 1	5.00	2.00	8.00
Product # 2	4.00	1.50	6.50
Product # 3	3.00	1.30	5.30
Product # 4	2.00	1.00	4.00
Product # 5	1.00	0.80	2.80



Name of Department

Production O/H

R&D

Marketing

G&A

Sales



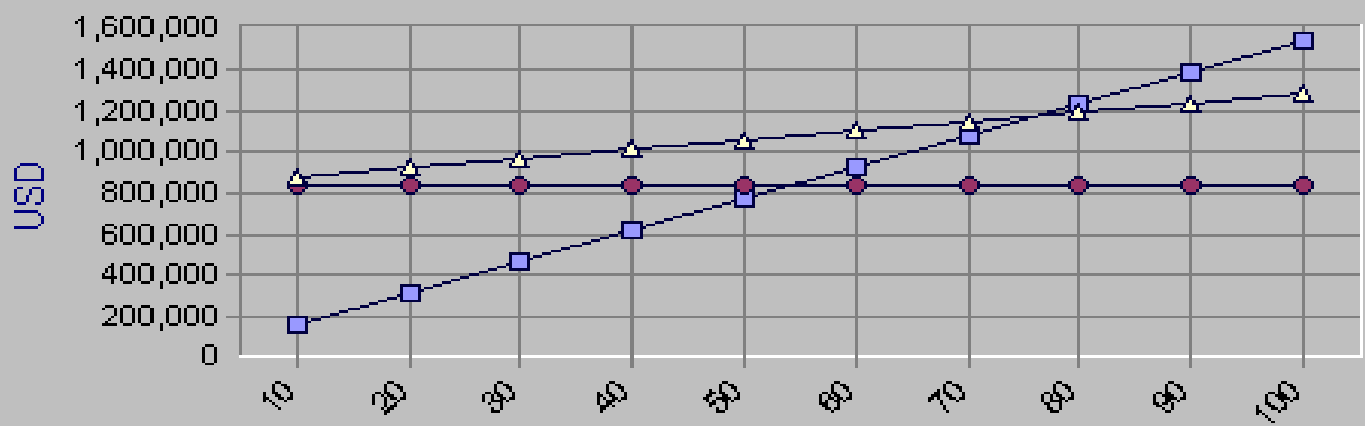
Products	Payment Delay Days	Sales Price	VAT %	2010 units
Product # 1	30.00	100.00	16.00	9744.00
Product # 2	30.00	80.00	16.00	4872.00
Product # 3	30.00	80.00	16.00	6090.00
Product # 4	30.00	60.00	16.00	3654.00
Product # 5	30.00	50.00	16.00	1218.00



Period **2001**

Quantity(%)	Sales	Fixed Expenses	Variable Expenses	Operating Profit
10	153,600	834,857	45,100	-726,357
20	307,200	834,857	90,200	-617,857
30	460,800	834,857	135,300	-509,357
40	614,400	834,857	180,400	-400,857
50	768,000	834,857	225,500	-292,357
60	921,600	834,857	270,600	-183,857
70	1,075,200	834,857	315,700	-75,357
77	1,181,881	834,857	347,024	0
80	1,228,800	834,857	360,800	33,143
90	1,382,400	834,857	405,900	141,643
100	1,536,000	834,857	451,000	250,143

Break Even



- Sales
- Fixed Expenses
- △ Variable Expenses

Profit and Loss [USD]



	Description	2002	(%)	2003	(%)	2004	(%)	2005	(%)
1	Revenues	2,240,000	99.898	2,880,000	99.842	3,200,000	99.929	3,200,000	100.000
2	Inventory Change	2,278	0.102	4,556	0.158	2,278	0.071	0	0.000
3	Other Operating Income	0	0.000	0	0.000	0	0.000	0	0.000
4	Total Production	2,242,278	100.000	2,884,556	100.000	3,202,278	100.000	3,200,000	100.000
5	Direct Cost	576,278	25.701	742,556	25.742	822,278	25.678	820,000	25.625
6	Gross Profit	1,666,000	74.299	2,142,000	74.258	2,380,000	74.322	2,380,000	74.375
7	Depreciation	128,000	5.708	135,143	4.685	142,286	4.443	149,429	4.670
8	Operating Expenses	255,600	11.399	255,600	8.861	255,600	7.982	255,600	7.988
9	Unrecoverable Debts		0.000		0.000		0.000		0.000
10	Provisions	0	0.000	0	0.000	0	0.000	0	0.000
11	Salary	458,400	20.443	458,400	15.892	458,400	14.315	458,400	14.325
12	Operating Profit	824,000	36.748	1,292,857	44.820	1,523,714	47.582	1,516,571	47.393
13	Interest Income	16,456	0.734	47,109	1.633	87,553	2.734	128,342	4.011
14	Interest Expenses	92,957	4.146	69,612	2.413	44,580	1.392	17,737	0.554
15	Total Finance	-76,501	-3.412	-22,504	-0.780	42,974	1.342	110,605	3.456
16	Other Income	0	0.000	0	0.000	0	0.000	0	0.000
17	Other Expenses	0	0.000	0	0.000	0	0.000	0	0.000
18	Total Others	0	0.000	0	0.000	0	0.000	0	0.000
19	Income before Tax	747,499	33.337	1,270,353	44.040	1,566,688	48.924	1,627,176	50.849
20	Income Tax	261,625	11.668	444,624	15.414	548,341	17.123	569,512	17.797
21	Net Profit	485,874	21.669	825,730	28.626	1,018,347	31.801	1,057,664	33.052
22	Dividend	0	0.000	0	0.000	0	0.000	0	0.000
23	Retained Earnings	0	0.000	0	0.000	0	0.000	0	0.000
24	Provision Profit	485,874	21.669	825,730	28.626	1,018,347	31.801	1,057,664	33.052



UP Cash Flow Statement [USD]



	Description	2001	2002	2003	2004	2005
1	Net Income	96,301	485,874	825,730	1,018,347	1,057,664
2	Depreciation	120,857	128,000	135,143	142,286	149,429
3	Change in long term provisions	0	0	0	0	0
4	Cash Flow	217,158	613,874	960,872	1,160,633	1,207,093
5	Net changes in operating assets and					
6	Accounts Receivable	0	0	0	0	0
7	Inventory	-13,667	-2,278	-4,556	-2,278	0
8	Accounts Payable	162,455	221,418	205,981	114,736	20,856
9	Accrued Expenses	0	0	0	0	0
10	Net Cash provided by (used in)	365,946	833,015	1,162,298	1,273,091	1,227,949
11	Cash Flows from Investing Activities					
12	Purchase of property, plant, and	-1,740,000	-50,000	-50,000	-50,000	-50,000
13	Disposal of property, plant and					
14	Net Cash provided by (used in)	-1,740,000	-50,000	-50,000	-50,000	-50,000
15	Cash Flow from Financing Activities					
16	Owners' Equity	0	0	0	0	0
17	Changes of long term debt	1,473,137	-322,936	-346,281	-371,314	-398,156
18	Changes in short term debt	0	0	0	0	0
19	Payment of Dividend	0	0	0	0	0
20	Net Cash provided by (used in)	1,473,137	-322,936	-346,281	-371,314	-398,156
21	Net Cash increase (decrease) during	99,084	460,079	766,017	851,777	779,793
22	Net Cash in the beginning of the year	0	99,084	559,162	1,325,179	2,176,956
23	Net Cash at the end of the year	99,084	559,162	1,325,179	2,176,956	2,956,749

UP Simulation Analysis - Op. Profit (%)



One-Way

Two-Way

% Change Quantities	-50 %	-25 %	Price 0 %	25 %	50 %
-50 %	-109.572	-39.715	-4.786	16.171	30.143
-25 %	-59.289	-6.193	20.355	36.284	46.904
0 %	-34.148	10.568	32.926	46.341	55.284
25 %	-19.063	20.625	40.468	52.375	60.312
50 %	-9.007	27.329	45.497	56.397	63.664

Two-Way

Key Parameters

Price

Quantities

- Percentage
- Amounts

Range A

± 50 %

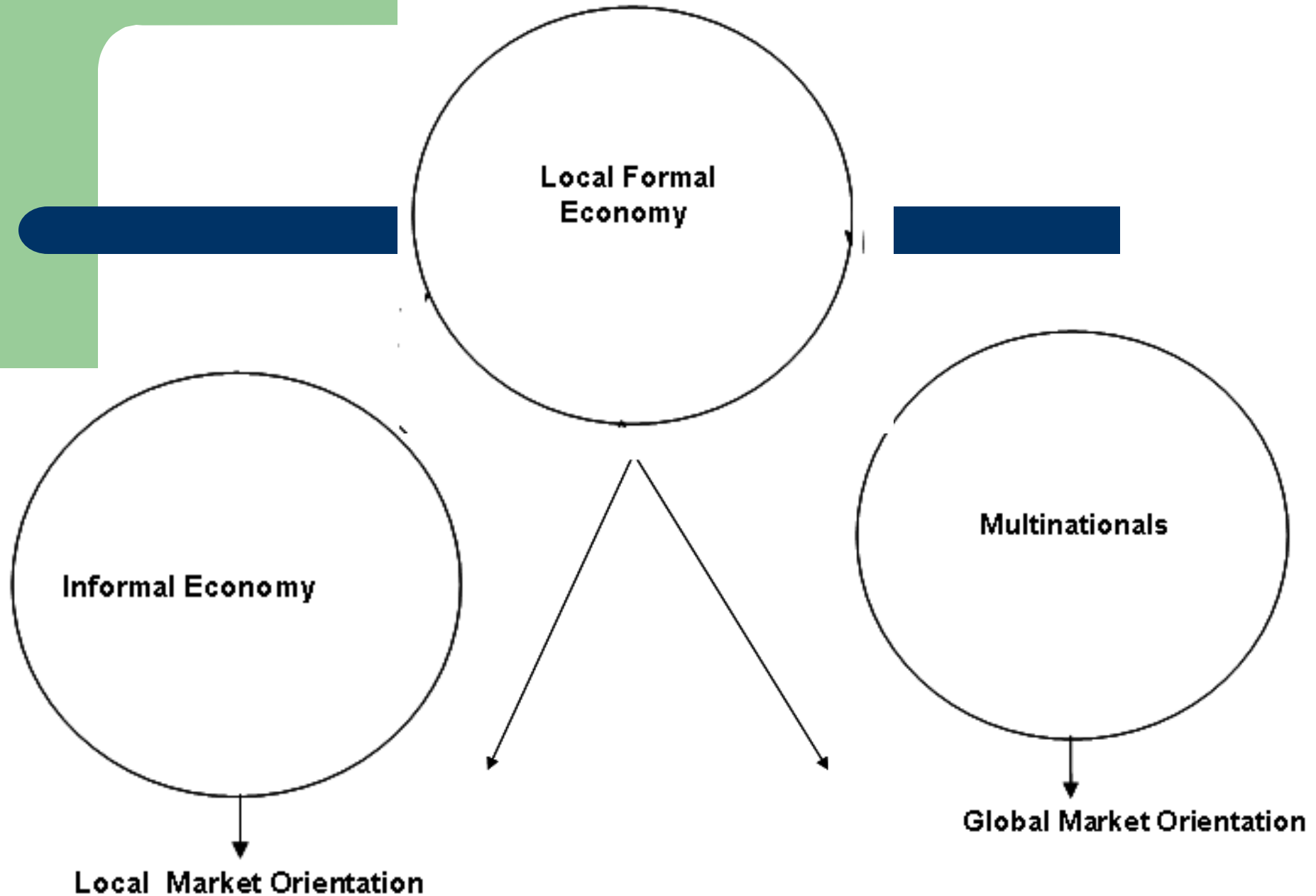
Range B

± 50 %

Period

- First Year
- All Periods

The Three Economies in SSA Countries



Basic Models of Development

The Incubator is a dynamic process of business enterprise development, providing under one roof shared office services, access to equipment, flexible leases, and expandable space”

Bottlenecks in SSA countries:

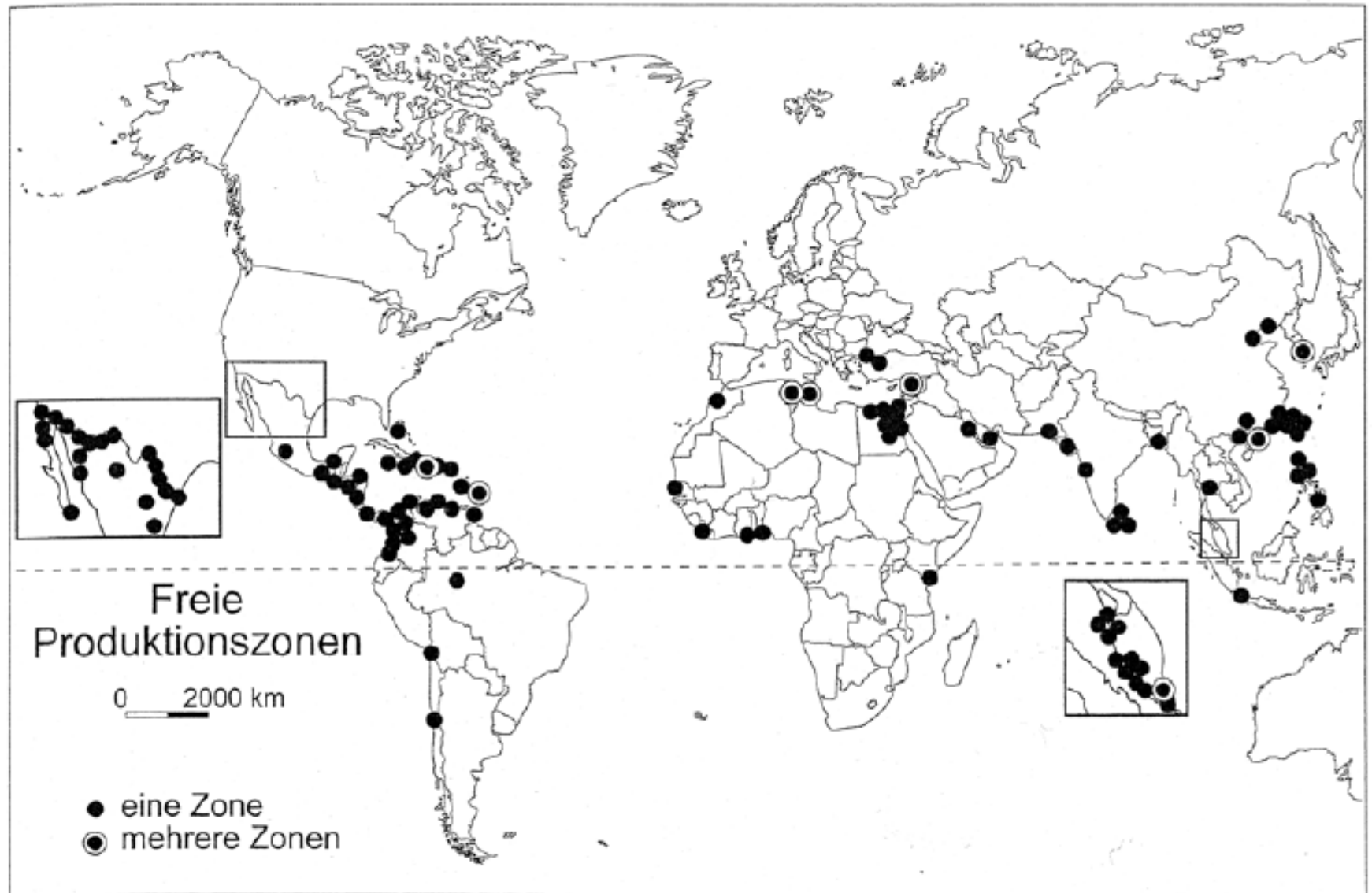
- Supported businesses out of their natural environment
- Limited number of experts for a small number of supported businesses
- Low level of business and technical knowledge
- Difficult transplantation process

The Free Economic Zone (FEZ) is “a geographic economic area in which goods enter duty free for processing and export, and in which investors are offered a variety of incentives (WEPZA)”.

Bottlenecks for FEZ in SSA countries:

- Competition on the local manpower
- Limited evolution of wages and technologies
- Weak impact on regional development

Fig. 1: Export Processing Zones in Less Developed Countries



Source: Dicken, P. (1998): "Global Shift", In: <<Transforming the World Economy>>, London, p. 131; cited by Schamp, E. W. (2000): <<Vernetzte Production: Industriegeographie aus Institutioneller Perspektive>>, Damstadt, S. 175



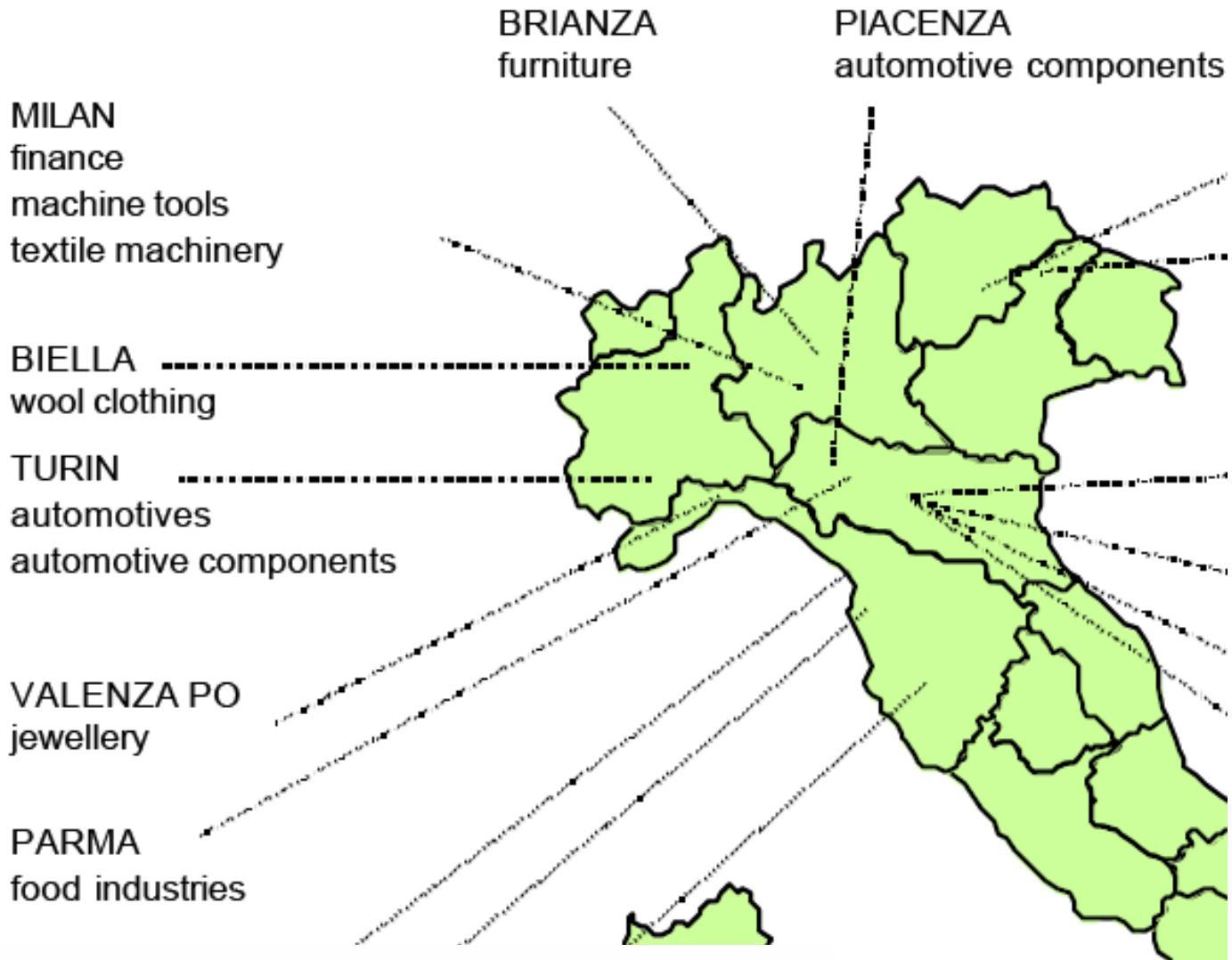
Industrial District: Firms consciously network with each other and active trade associations provide shared infrastructure. Firms merge with Community

Porter's cluster is a “geographic concentration of an array of linked, competitive firms that either have close buy-sell relationships,

Bottlenecks in SSA countries:

- Weak associations and regional authorities
- Shared infrastructure limited

Main clusters in Italy



Source: M. Porter, The Competitive Advantage of Nations (Free Press)

ACENZA
automotive components

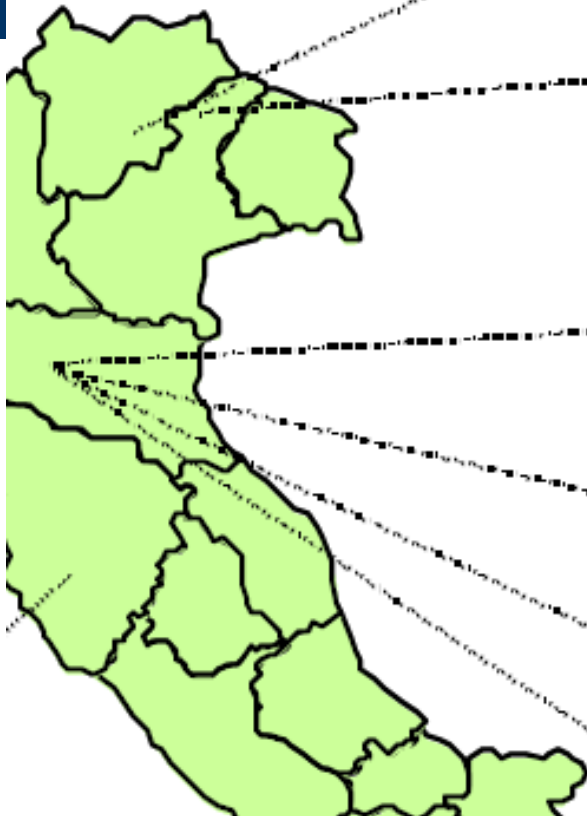
CASTEL GOFFREDO
lighting equipment

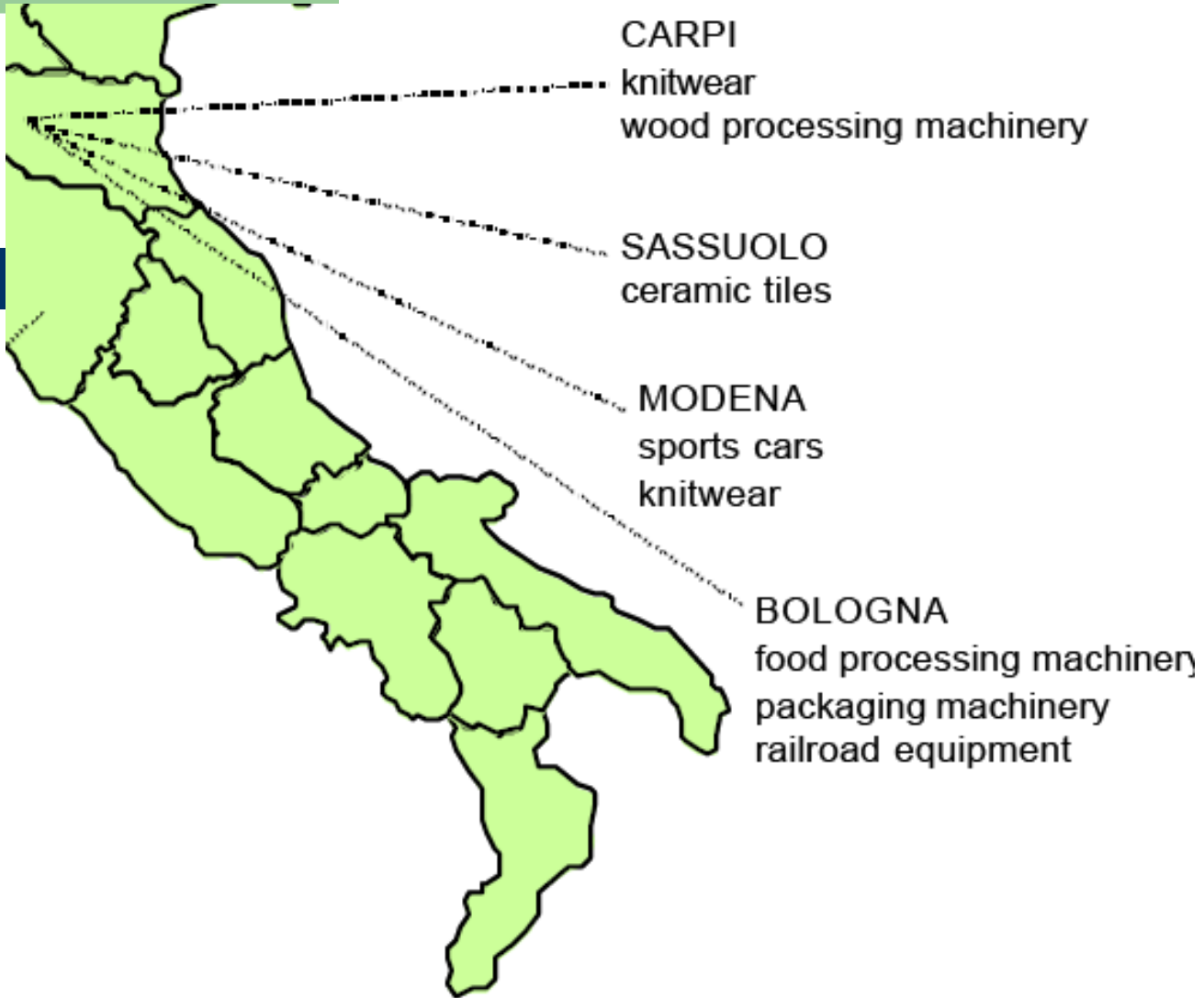
MONTEBELLUNA
ski boots

CARPI
knitwear
wood processing machinery

SASSUOLO
ceramic tiles

MODENA
sports cars
knitwear





VALENZA PO
jewellery

PARMA
food industries

CARRARA
marble
marble work

PRATO
wool clothing

AREZZO
jewellery



Open Incubator - Vegetables



Direction - Experts

Network Students

Greenhouse
Irrigation
Seeds

Warehousing
Processed
products

Upstream

Downstream

Growers

Open Incubator - Layers

Research

Local Authorities

ADBL

Education

Regional Council

Associations

Direction - Experts

Network Students

Feeding
Breeding
Incubators

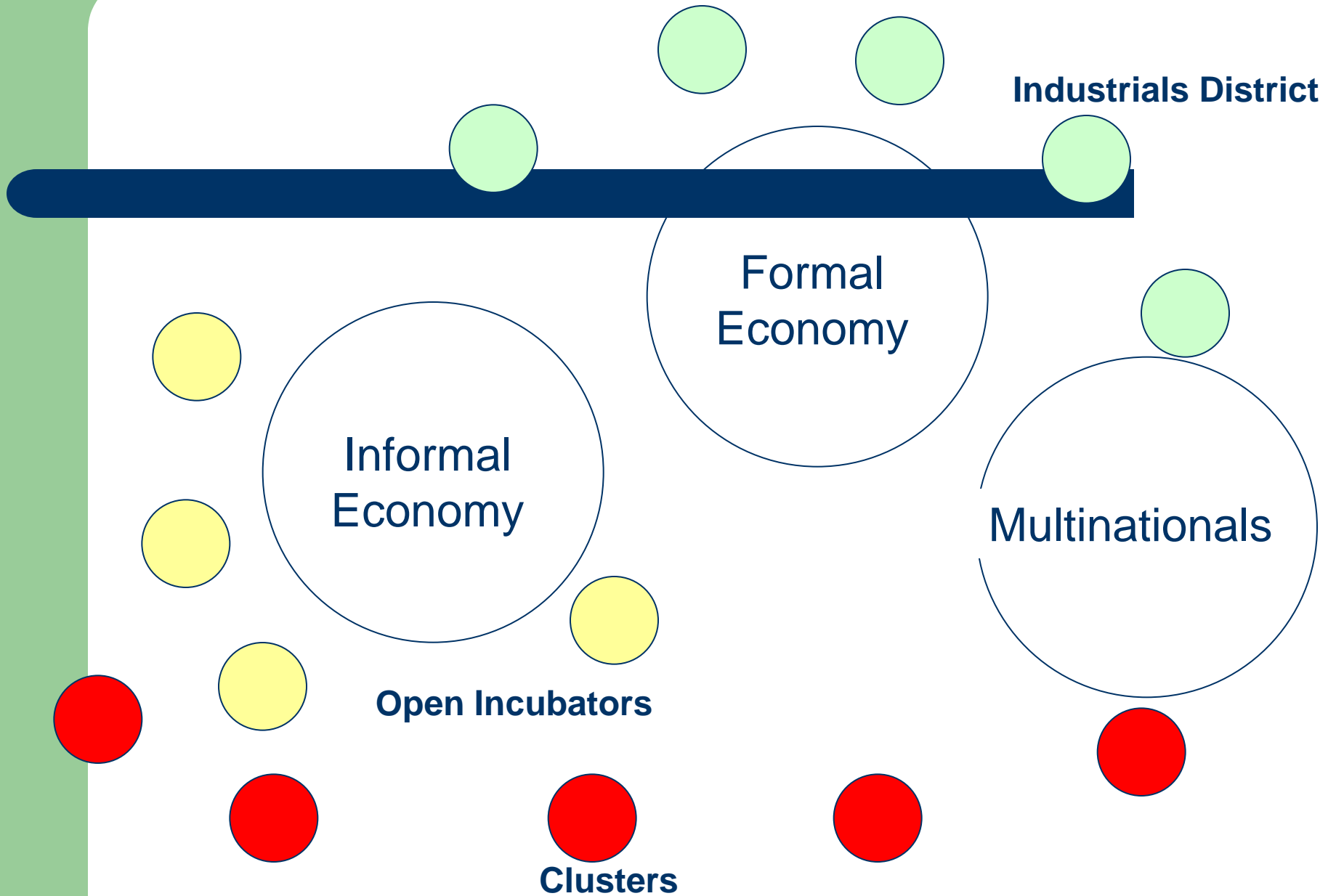
Transportation
Smoked chicken
Processed
chicken

Upstream

Downstream

Layers

The Three Economies and the Models of Développement



The Agro Industrial Cluster-Specialisations

Support Activities

Seeds, Fertilizers
Irrigation Systems

Processing
Equipment

Refrigeration
Equipment

Central Activities

Beef, Fish, Poultry

Fruits & Vegetables

Coffee, Cocoa

Wood,
Rubber

Related Activities

Processed Food
Products

Cosmetics

Chemicals
Products

Health

Infrastructural Services

Telecom, Roads

Research

Education

Finance

Coffee – Tea Cluster

Government institutions
and other support organizations
R&D organizations

Institutions For
Collaboration

Supporting Services
- Transport
- Financial Services
- Security

- Fuel
- Fertilizers
- Sacks
- Bags
- Equipment & Machinery
- Sack Importers
- Equipment & Machinery
- Maintenance Works

Coffee Producers
and Cooperatives

Intermediaries

International and
National Exporters

Toasters

Exporting
Cooperatives

Certifying
Agencies

Insurance
misc. services

Freight

Wholesale

Retail

International
Commerce
- Traders
- Wholesalers
- Exchanges