



Enhancing Innovation in Entrepreneurship: A ripe for Upturning Economic Downturn

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Abstracts

Innovation refers to the process of creating new ideas, products, services, or methods that bring about significant improvements or solve problems in novel ways. Various examples of innovation are available for an entrepreneurs to use in the business such as: Disruptive Innovation, Incremental Innovation, Architectural Innovation, Radical Innovation. Entrepreneurship and innovation are relate to each other as both serve as a vehicle or channels for the accomplishment of its tasks. To stimulate entrepreneurship and innovation during an economic downturn, governments and institutions should focus on reducing bureaucratic hurdles for startups entrepreneurs.

Keywords: innovation, entrepreneurship .enhancing. upturning, economic, downturn

Words count -103

Introduction

Entrepreneurship and innovation are closely linked concepts, with innovation often being a key driver of successful entrepreneurship. Entrepreneurship involves the process of creating, developing, and managing a business venture, while innovation refers to the introduction of new ideas, methods, or products. Essentially, entrepreneurs leverage innovation to identify opportunities, solve problems, and create value in the marketplace.

Entrepreneurship and innovation are increasingly important in all areas of business and government. Entrepreneurial start-ups galvanise the economy by identifying new opportunities and redirecting resources to them. Established firms innovate in order to outmanoeuvre or respond to their competition. And in the public sector, the need for effective policies to deal with new challenges and for increasing service delivery with declining budgets also places a premium on innovative thinking. The course focuses on the skills necessary for the planning, development and launch of entrepreneurial and innovative ventures. The material covered includes the foundations of entrepreneurship, techniques for creative thinking, and processes for developing, planning and launching a new venture including protecting intellectual property, evaluating markets, developing innovative business models, budgeting, and raising finance. The major piece of assessment is the writing of a comprehensive business plan.

Concept of Innovation

What is Innovation?

Innovative refers to the transformation of creative ideas in a business (Njeri 2017).

➤ Innovation refers to the process of creating new ideas, products, services, or methods that bring about significant improvements or solve problems in novel ways.

➤ It involves the application of creativity and knowledge to develop solutions that add value, enhance efficiency, or address challenges in unique ways.

➤ Innovation is key to progress in any field, driving advancements in technology, business, healthcare, and more

Innovation is the process of introducing new ideas, methods, products or services. It involves developing something new or significantly improving existing ones, often driven by new technologies or a fresh perspective on existing knowledge. Ultimately, innovation aims to solve problems, enhance efficiency, or create new opportunities. A firm's longevity in a highly competitive market place is determined by the level at which it introduces and executes its new ideas in products and services to meet change in customers' demands and expectation (Im, Montoya and Workman, 2013). Organisations continuously need to tackle the problem of changing market demands and meet changing customer needs, especially because the marketplace is said to be a war arena for firms but guided by ethical conduct; it is a highly competitive environment. Therefore, according to

Ellomen, Jantunen and Kuivalainen (2011) they have a continuously improve their existing processes and products, and develop new products that match market requirements and if necessary create new markets for existing or a new products that is, market innovation.

Examples of Entrepreneurial Innovation:

- **Disruptive Innovation:**

Introducing a new product or service that fundamentally changes the way things are done (e.g., ride-sharing replacing taxi services).

- **Incremental Innovation:**

Making small improvements to existing products or processes (e.g., a faster processor for smartphones).

- **Architectural Innovation:**

Applying existing knowledge to new markets or contexts (e.g., using 3D printing technology to create customized prosthetics).

- **Radical Innovation:**

Creating entirely new products or services that did not exist before (e.g., the invention of the internet). In conclusion, entrepreneurship and innovation are intertwined concepts that are essential for economic growth and societal progress. Entrepreneurs leverage innovation to create new businesses, solve problems, and drive value creation, while innovation provides the foundation for entrepreneurial.

Characteristics of an Innovation Entrepreneur

Stoner J. A. et al (1999) states that an innovative entrepreneur should the following Characteristics:

- (i) Conceptual fluency; He or She should have the ability to produce a large number of ideas quickly.
- (ii) He or She should learn to consider ideals on the basis of his merit and being motivated by problems.
- (iii) He or She should possess the ability to suspend judgement, get committed and spend time in analysing and explaining business facts.
- (iv) He or She is usually less authoritative and flexible; accepts his own impulse, and is disciplined in pursuit of his course of action
- (v) He or She should have the ability for independent judgement, less conformity, and often be a deviant from accepted ideas. He or She should also be able to see himself as unique and different from others.

Enhancing innovation by an entrepreneur can only be possible if,

- (i) If the financial means to test out his ideas
- (ii) Well trained to bring modern knowledge to bear up his tasks,
- (iii) Easily can get in touch with like-minded entrepreneurs

Reason for Innovation and upturning economic Downturn

- (i) Desire to overcome labour shortages
- (ii) Desire to overcome material shortages
- (iii) Desire to meet excess demand
- (iv) Desire by customers for new quality of product.

- (v) Desire to use the work of research and development departments.

- (vi) Constant pressure of competition

Areas of Innovation

- (i) Process technology
- (ii) Market innovation
- (iii) Product innovation
- (iv) Process of distribution
- (v) Factors of production (new products' input)
- (vi) New model/product differentiation

Concept of Entrepreneurship

What is meant with entrepreneurship and how does this relate to innovation?

Entrepreneurship and innovation are fuzzy concepts that have been given multiple meanings. Innovation and entrepreneurship are often regarded as overlapping concepts. This can be traced back to probably the most well known definition of entrepreneurship, by Schumpeter (1934: 74), who defines entrepreneurs as individuals that carry out new combinations (i.e., innovations). Schumpeter distinguishes four roles in the process of innovation: the inventor, who invents a new idea; the entrepreneur who commercialises this new idea; the capitalist, who provides the financial resources to the entrepreneur (and bears the risk of the innovation project); the manager, who takes care of the routine day-to-day corporate management. These roles are most often executed by different persons (see for example Kenney 1986). The literature on entrepreneurship recognises a variety of entrepreneurial roles in economic change, such as:

- the person who bears uncertainty (Knight 1921);
- an innovator (Schumpeter 1934);
- a decision maker (Casson 2003); – an industrial leader (Schumpeter 1934);
- an organiser and coordinator of economic resources (Marshall 1890);
- an arbitrageur, alert to opportunities (Kirzner 1973; 1997);
- an allocator of resources among alternative uses (Schultz 1975).

These roles all implicitly carry with them an economically positive connotation. However, if entrepreneurs are defined to be persons who are ingenious and creative in finding ways that add to their own wealth, power, and prestige (Baumol 1990), then it is to be expected that not all of their activities will deliver a productive contribution to society (cf. Murphy et al. 1991). For

Who is an Entrepreneur

Entrepreneur is refers to as a person who undertakers and operate a new venture, and assumes some accountability for the inherent risks.

The concept of “entrepreneur” is a French word called “entreprendre” meaning to undertake. This concept was used to refer to a business organization in the 18th century who deals or buys and sells goods at uncertain prices. Richard Cantillon (1755) defines entrepreneur as the agent who buys means of production at certain prices in order to combines them into a new product. Say, J. B (1621) defines the entrepreneur as a person who is willing and able to convert a new idea or invention into a successful innovation. Ogundele (2000) defines entrepreneurs as the innovating individusl ,who initiatises and nurtures to grow a new and on going business organization ,where none existed before

Relationship between Innovation and Entrepreneurship

1. Innovation as a Catalyst for Entrepreneurship:

- Entrepreneurs often identify unmet needs or inefficiencies in the market and develop innovative solutions to address them.
- Innovation can create new markets or disrupt existing ones, providing opportunities for entrepreneurs to establish new businesses.
- Examples include the development of new technologies, business models, or products that revolutionize existing industries.

2. Entrepreneurship as a Vehicle for Innovation:

- Entrepreneurs are often the driving force behind the commercialization of innovative ideas.
- They can take risks, mobilize resources, and build businesses around innovative concepts.
- This process of translating innovative ideas into tangible products or services is crucial for economic growth and societal progress.

3. The Importance of Innovation in Entrepreneurial Success:

- In today's dynamic business environment, innovation is essential for entrepreneurs to stay competitive and adapt to changing market conditions.
- Companies that embrace innovation are more likely to experience growth, generate profits, and create a lasting impact.
- Innovative entrepreneurs can also contribute to job creation, economic development, and overall societal well-being.

Important of Entrepreneurship and Innovation to the Nation Development

Entrepreneurship and innovation are crucial for national development as they drive economic growth, create jobs, and foster societal progress. They lead to increased productivity, competition, and the development of new technologies and

markets. Furthermore, entrepreneurship and innovation can help address societal challenges and improve living standards.

Here's a more detailed look at the importance:

Economic Growth:

- Job Creation:

Entrepreneurs establish new businesses, generating employment opportunities and reducing unemployment rates. Small and medium-sized enterprises (SMEs) are particularly significant in this regard, [according to a study by journalwjarr.com](http://journalwjarr.com).

- Wealth Creation:

Entrepreneurship facilitates wealth accumulation through business profits, investments, and increased economic activity.

- Increased Productivity:

Innovation, often driven by entrepreneurs, leads to more efficient production processes and the development of new products and services, boosting overall productivity.

- Market Competition:

Entrepreneurs introduce new products, services, and business models, challenging existing firms to innovate and improve, leading to a more dynamic and competitive market.

- Attracting Foreign Direct Investment:

A vibrant entrepreneurial ecosystem can attract foreign investment, further fuelling economic growth.

Social Development:

- Addressing Social Problems:

Entrepreneurship can provide solutions to social issues like poverty and unemployment by creating income-generating opportunities and improving living standards.

- Cultural and Social Advancement:

Innovation and entrepreneurship can lead to new cultural expressions, social norms, and improved access to essential services like healthcare and education.

- Skill Development:

Entrepreneurship provides opportunities for individuals to acquire new skills and knowledge, enhancing their capabilities and contributing to human capital development.

Innovation:

- Technological Advancement:

Entrepreneurs are often at the forefront of developing and adopting new technologies, driving technological progress and societal transformation.

- Product and Service Innovation:

Entrepreneurship encourages the creation of new and improved products and services, meeting evolving consumer needs and preferences.

- Process Innovation:

Entrepreneurs can also innovate in business processes, making them more efficient and cost-effective.

Sustainable Development:

- Environmental Sustainability:

Entrepreneurship can drive the development of green technologies and sustainable business practices, promoting environmental protection and resource efficiency.

- Social Sustainability:

Entrepreneurship can contribute to social equity and inclusion by providing opportunities for marginalized communities and addressing social inequalities.

- Economic Sustainability:

By fostering innovation and productivity, entrepreneurship can create a more resilient and sustainable economy that can adapt to changing circumstances.

In summary, entrepreneurship and innovation are vital for national development, contributing to economic prosperity, social progress, and a more sustainable future.

Conclusion

It is believed that this paper that there is some degree of relation between Entrepreneurship and innovation as a ripe for Upturning Economic Downturn where all barriers and disruption in Entrepreneurship and innovation is totally eliminated for the effective and perfect economic growth in our Nation particularly Nigeria'.

In conclusion, if all the process of entrepreneurship and innovation is well routed the economic downturn that we are facing in our Country can be surmounted and reduce drastically to the barest minimum.

Recommendation

The thrust of this paper is that Nigeria has the great potentials to be at fore-front in terms of stability economic growth and development. Based on the findings of this study, the following recommendation are made:

To stimulate entrepreneurship and innovation during an economic downturn, governments and institutions should focus on reducing bureaucratic hurdles for startups, providing financial support through subsidies and grants, fostering a culture of innovation within businesses, and ensuring access to training and resources for entrepreneurs. Additionally, promoting digital technologies, emphasizing sustainability, and encouraging inclusive entrepreneurship can further bolster economic recovery.

Here's a more detailed breakdown:

Streamline Regulations and Reduce Bureaucracy:

- Lower administrative burdens:

Simplify the process of starting and running a business by reducing the number of bureaucratic steps, regulations, and fees for startups.

- Provide clear and consistent legislation: Avoid conflicting laws and regulations that create uncertainty and discourage business activity.

- Protect intellectual property:

Ensure entrepreneurs have clear legal rights to their inventions and creations to encourage innovation.

Provide Financial Support:

- Start-up subsidies and grants:

Offer financial assistance to new businesses, particularly those with innovative ideas or those targeting underserved markets.

- Access to funding:

Ensure entrepreneurs have access to various funding options, including venture capital, angel investors, and microfinance.

- Tax incentives:

Provide tax breaks or other financial incentives for businesses that invest in research and development or create jobs.

Foster a Culture of Innovation:

- Encourage risk-taking:

Create a work environment where employees feel empowered to experiment and innovate without fear of failure.

- Promote collaboration:

Facilitate collaboration between businesses, research institutions, and universities to foster knowledge sharing and innovation.

- Invest in education and training:

Provide access to training programs that equip entrepreneurs with the skills they need to succeed, including digital literacy and sustainable business practices.

Embrace Digitalization:

- Leverage digital technologies:

Encourage the adoption of digital technologies to improve efficiency, reduce costs, and reach new markets.

- Support digital entrepreneurship:

Foster the growth of digital businesses, particularly those that can address social and environmental challenges.

- Promote digital infrastructure:

Invest in digital infrastructure to ensure that all entrepreneurs have access to the internet and other essential digital tools.

Emphasize Sustainability:

- Promote sustainable business practices:

Encourage businesses to adopt environmentally friendly practices and develop sustainable products and services.

- Support green entrepreneurship:

Provide resources and support for entrepreneurs who are developing innovative solutions to environmental challenges.

- Integrate sustainability into business models:

Help entrepreneurs understand the long-term benefits of sustainability for their businesses and the economy.

Promote Inclusive Entrepreneurship:

- Support underrepresented groups:

Focus on creating opportunities for women, minorities, youth, and other underrepresented groups to participate in entrepreneurship.

- Provide tailored support:

Offer mentorship, training, and financial assistance that is specifically designed to meet the needs of these groups.

- Promote diversity and inclusion:

Encourage diversity within the entrepreneurial ecosystem to foster creativity and innovation.

By implementing these recommendations, governments and institutions can create a more supportive environment for entrepreneurship and innovation, which can help to mitigate the negative impacts of an economic downturn and pave the way for sustainable economic growth.

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