29th October 2021

Prof. Eugene Fregetto (PhD),
Urban Planning and Policy,
University of Illinois,
Chicago, USA.

Dear Prof. Fregetto

Invitation to be a Session Speaker of the International Conference on Business Management 2021 (ICBM 2021)

We would like to invite you, Prof. Fregetto, as the session speaker of the track "Entrepreneurship, Small Business Management and Innovation" of the International Conference on Business Management 2021. The ICBM is the main annual academic research forum organized by the Faculty of Management Studies and Commerce of the University of Sri Jayewardenepura, Sri Lanka. This year, the Conference is scheduled to be held on 9th and 10th December for the eighteenth consecutive round. The theme of this year's conference is **"Managing in Crisis: Brace for Challenges Ahead to Ensure Sustainable Growth".**

We believe that your contribution and expertise to this field is unparalleled and therefore, your presence at this occasion is invaluable and much looked forward to.

We would like to inform you about our tentative program as follows:

9th December 2021 -
- Inauguration Ceremony (9.00 am to 10.30 am)
- Paper Presentations of the track "Entrepreneurship, Small Business Management and Innovation" (from 01.30 pm to 3.30 pm)

The Conference will be held in the hybrid form (via Zoom) and the duration of the session speaker's speech is scheduled for 20 minutes (from 01.35 pm-01.55 pm). We will be providing you with the necessary information in the due course.

We look forward to your esteemed contribution at ICBM 2021.

Thank you.
Yours faithfully

Dr. Rukmal Weerasinghe
Co-chair- ICBM 2021

Dr. Seshika Kariyapperuma
Co-chair- ICBM 2021

“Entrepreneurs innovate.”[1] Entrepreneurs use innovation to create the future. Entrepreneurs use innovation to revive businesses that are corroding from the inside. Entrepreneurs use innovation to create wealth for themselves, their employees, and their community. Entrepreneurs ”endow resources with a new capacity to create wealth”[2]. From all



perspectives, we need more of both innovation and entrepreneurship. If we genuinely understood innovation and entrepreneurship we would have an abundance of both. We could summon either or both upon demand and the output would exceed our expectations. However, as you and I know, the impact of our teaching and policy are plagued by uncertainty as the occurrence of innovation and entrepreneurship still remains a mystery to all of us.

The good news is that there is a lot of innovation and entrepreneurship that occurs regardless of our teaching and policy. The goal of my presentation is to have you take a look at some of the ordinary sources of innovation and entrepreneurship that occurs on a daily basis in every community. But let’s start with a few questions.

[1] Peter F. Drucker (1985), ***Innovation and Entrepreneurship***, Collins Business, HarperCollins Publishers, New York, ISBN: 978-0-06-085113-2, p30.

[2] Ibid, p30.

When thinking about innovation and entrepreneurship, many questions arise.

Where does innovation come from? Where does entrepreneurship come from? How do the two combine to begin another engine for economic development?

Where does innovation and entrepreneurship come from?

- Rational thinking or boundless imagination?
- Normal scientific progress or urgency and need?
- Can we mandate when, where, and amount?



Do they come from rational and planned thinking or do they arise out of uncertainty, disorder, and boundless imagination? Do they arise from a normal progression of science simply waiting to be discovered or do they arise from a sense of urgency and need?

Can we as educators and government officials make innovation occur when, where, and in the amount desired? Can we turn-on and turn-off the creation of new innovative firms with the precision of a water faucet?

Answers to all of the above questions must begin by examining the origins of innovation and entrepreneurship. Do both appear out of thin air ready to be processed? Can we build up a great inventory of each so that the production of both can be increased when the demand arises? If yes, we could certainly solve all of our economic and social problems on demand. However, our experiences tell us otherwise. So let's examine some sources of innovation and entrepreneurship.

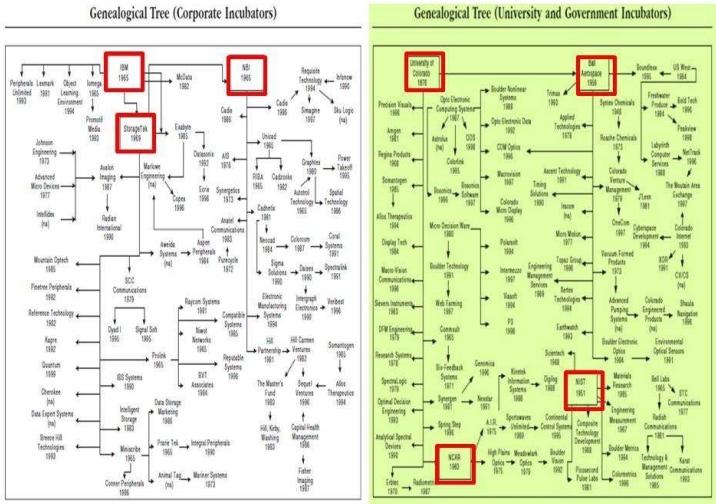
An Entrepreneurial System View of New Venture Creation*

by Heidi M. Neck, G. Dale Meyer, Boyd Cohen, and Andrew C. Corbett

Journal of Small Business Management 2004 42(2), pp. 190–208

Our community is one of the driving sources of innovation and entrepreneurship. The best example of how innovation and entrepreneurship that emulates from our community is explained in a 2004 paper by Neck, Meyer, Cohen, and Corbett wherein they diagramed the genealogy tree of high-tech firms in Boulder, Colorado USA. The tree visually shows the impact of seven incubator organizations on the intricate network of a regionally-based entrepreneurial system.

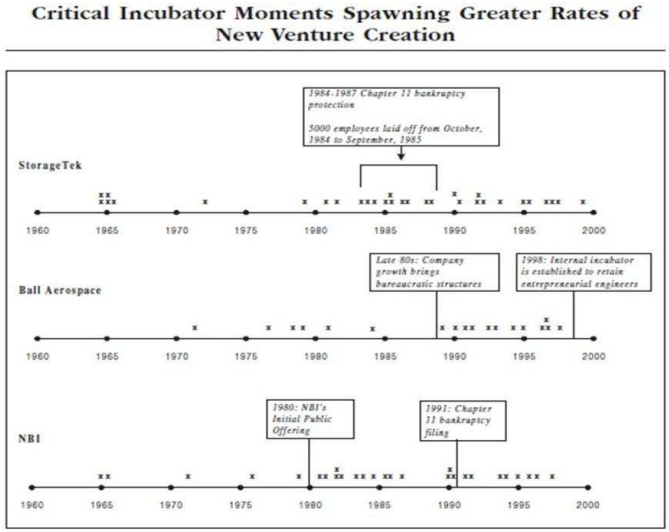
Genealogy of Innovation and Entrepreneurship



This slide shows the genealogy tree of 176 companies, seven of which, are considered incubator organizations and are highlighted in red. The diagram shows the impact that just a few large organizations can have.

For example, IBM came to Boulder about 30 years prior to the study and spawned many new high-tech firms over those years. Likewise a large research university and two scientific government organizations created a multitude of spin-offs that remained in the Boulder entrepreneurial system; a system we commonly call today an entrepreneurial ecosystem, a system that has been supporting the growth of new firms in Boulder Colorado since 1960.

The next slide provides an answer to the question of whether we can turn-on and turn-off innovation and entrepreneurship with the precision of a water faucet. The slide shows that the rate of new venture creation is highly dependent on the events experienced by existing organizations in the region and shows no regularity as the



evolution of the Boulder's entrepreneurial system could not have been predicted. The "x's" represent new start-up ventures and the significant events are highlighted in the boxes. Clearly, the ecosystem grew by the ups and downs of older, established corporations that motivated nascent entrepreneurs to leave and start their own business. One could say that the new ventures were formed from the ashes of older companies, in some cases.

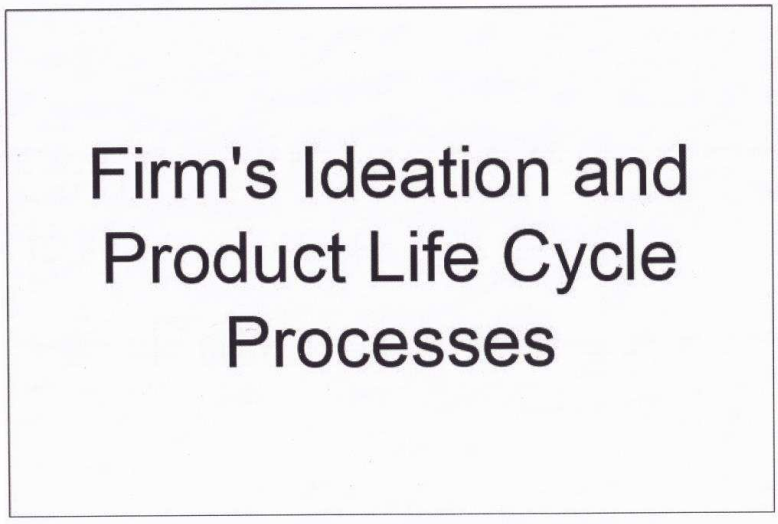
An important aspect of Boulder's ecosystem is that it grew without an explicit overall government policy. Instead, Boulder built itself from scratch through a combination of individual effort, shared sacrifice, and counterintuitive choices. Clusters grew built upon unique and specialized resources sharing a common location and talent pool; especially the presence of a talent pool as without an ample talent, entrepreneurs will likely go elsewhere to start their ventures.



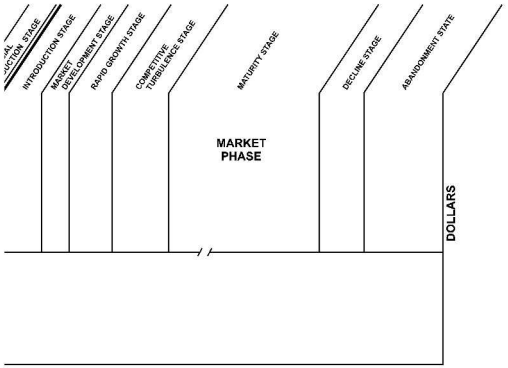
Cityscape of downtown Denver with the Flatirons and Longs Peak in the background from a drone perspective. Photo Credit: Brad McGinley Photography / Getty Images.

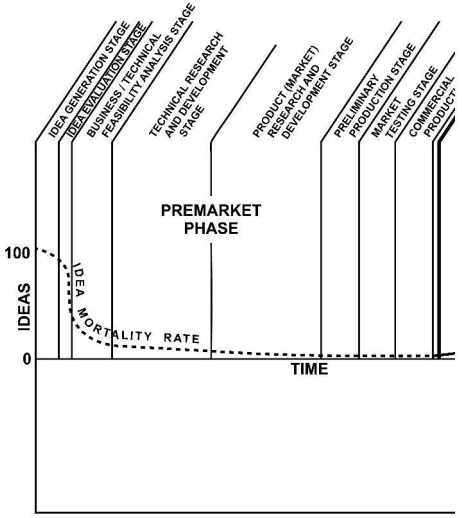
The study was performed in 1999, so where is Boulder, Colorado now?

· Boulder is ranked among the top 20 tech towns in the U.S. and in 2020 saw advertisements for 10,000 technology jobs.
· In 2010, Boulder had six times more high-tech start-ups per capita than the nation's average, and ranked among the 20 most productive metro areas in terms of GDP.
· Boulder's city mantra: Make a city a great place to live, and people will figure out how to make a living there.

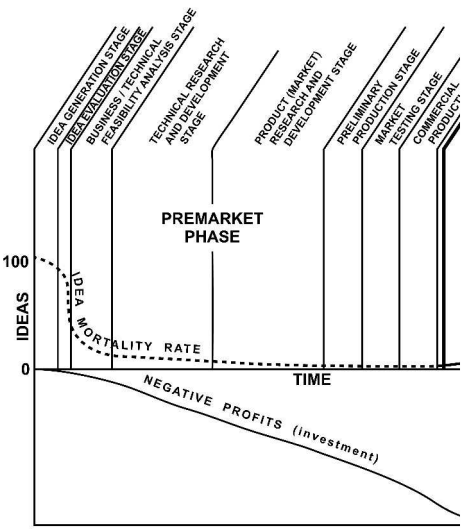


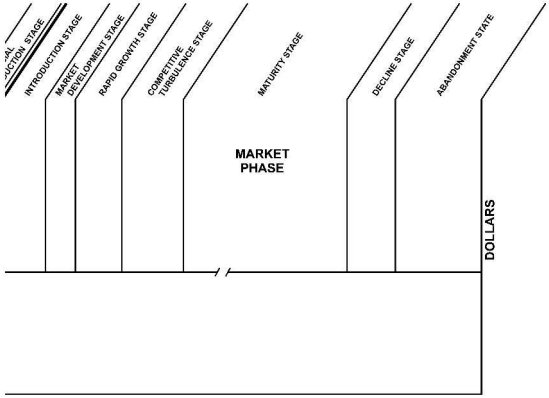
A second source of innovation and entrepreneurship occurs at the firm level with the ideation and product life cycle process. All firms practice some version of research and product development to ensure they offer the best available new products as well as maximize product modification to ensure present products meet customer needs. The key features of this source is the considerable upfront investment and delayed profitability under conditions of uncertainty.

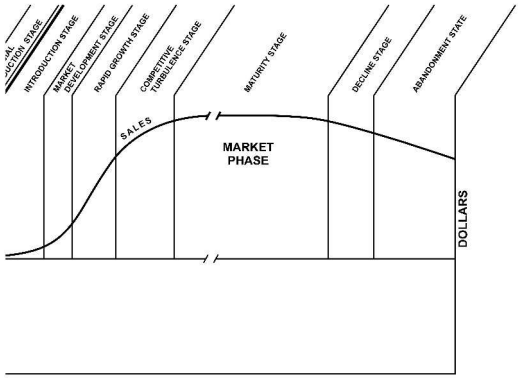




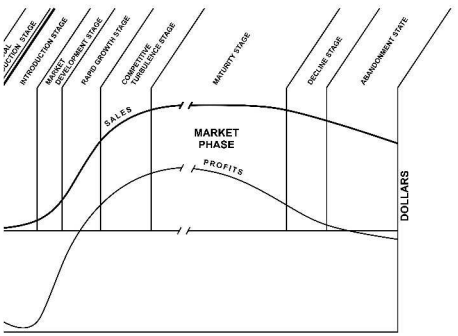
Firms internal R & D is generally hidden from public view but would look something like the process shown in this slide. It would start with the idea generation and evaluation stages; enter some form of a pre-market evaluation and market testing before the production stage. The idea mortality rate would be extremely high during this process with only a few of the thousands of ideas making it into the final product. And, of course, the company will experience only "negative profits" as considerable investment is needed without any immediate income.



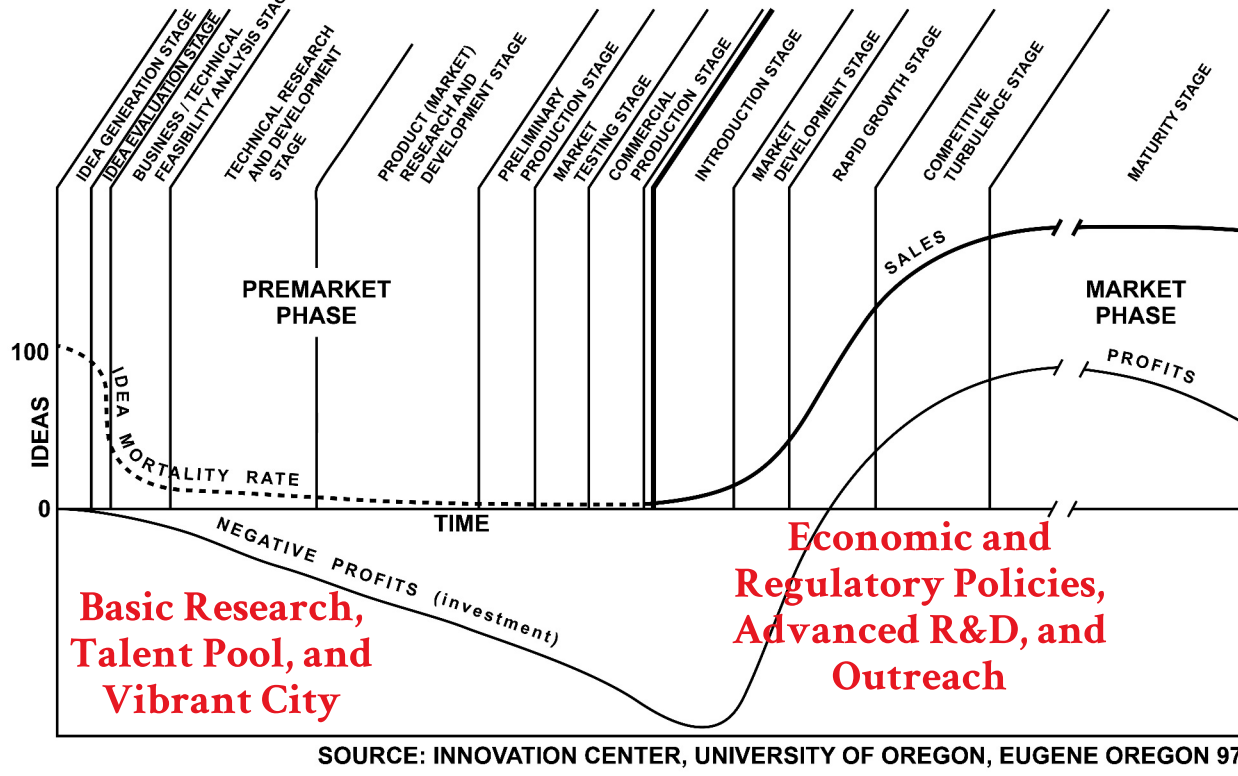




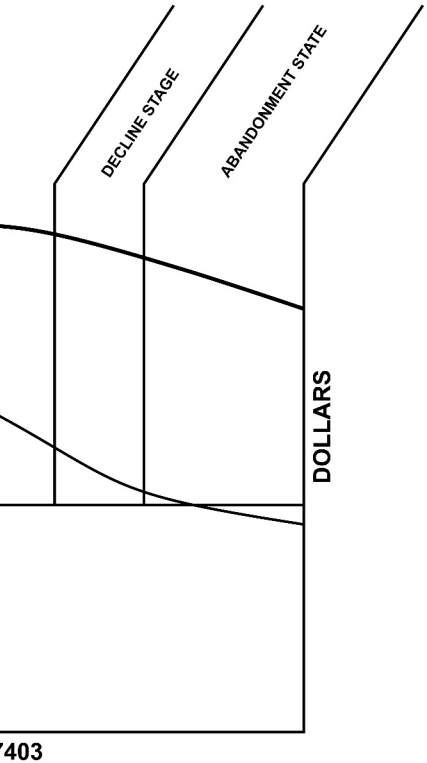
Once a sufficient inventory is amassed, the new product enters its market phase, and the product life cycle process that we are all familiar with is a good basic explanation of what happens to that product in the marketplace. If the firm had designed the right product, sales can be expected to increase rapidly and remain high for a considerable time; in many cases addition R&D combined with new marketing initiatives are needed to perpetuate the product's life cycle.



Finally, the firm will dig its way out of negative income and realize considerable profits, if the product truly meets its mark.

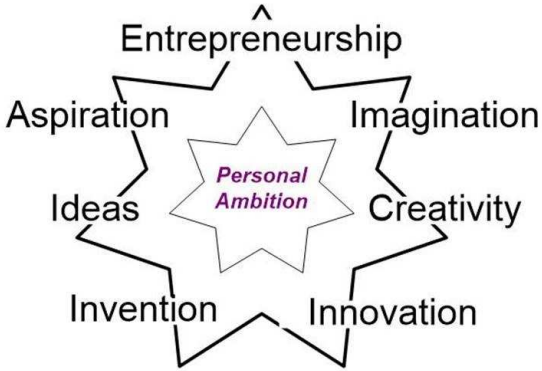


SOURCE: INNOVATION CENTER, UNIVERSITY OF OREGON, EUGENE OREGON 97



So the firm is certainly the home for a lot of innovation and entrepreneurial creations, but it is a long process, plagued by uncertainty under the constant shadow of failure. It is unlikely that any government policy or educational program can greatly accelerate the process and ensure success. Instead, the rate of new venture creation, as in the Boulder Colorado case, is dependent on the events, resources, and talents shared by existing organizations, and there is no guarantee of regular, timely, or predictable arrival of innovative products or services to market.

The most valuable contributions that government and universities can make to the firm's innovative and entrepreneurial activities is to cover the costs of basic research, provide an educated talent pool, and vibrate community for all. Regarding markets, government economic and regulatory policies play an essential role in the firm's success as well as the universities' advanced R&D and outreach programs for the business community.



"The fundamental job of the imagination in ordinary life . . . is to produce out of the society we have to live in, a vision of the society we want to live in."

Northrop Frye, 1964

The third source of innovation and entrepreneurship begins with personal ambition, i.e., the willingness to embrace new opportunities and be responsible for challenging the status quo.

The aspiring entrepreneurs in our communities choose to begin their journey from the world in which they live into the imaginary world they intend to create. Their journey begins with an aspiration that stimulates their imagination, filling their mind with many possible ideas, many possible versions of the future. It is from this deep and personal journey that provides another fountain of innovation that comes forth as the launch pad for new entrepreneurial ventures.

Some believe, as I do, that the most powerful source of innovation and entrepreneurship is the aspiration and imagination of people; People regardless of

their wealth, education, culture, or status in life. It is, in my opinion, aspiration and imagination that provide the greatest and most sustainable source of the innovation and entrepreneurship to every community.

The diagram you see in this slide symbolizes the peaks and valleys through which and over which every aspiring entrepreneur must travel; a path that includes some rather deep and dark valleys as well as the exhilaration of achieving the heights of accomplishments along the way. This diagram is also intended to illustrate the iterative, rather than linear, process and to indicate that all seven processes can become uniquely intermingled at various points in their journey. The final observation of importance in this diagram is the intentional absence of time, as a person's journey into entrepreneurship occurs without any predictable plan. Instead, the nascent entrepreneur repeats the benefits from each stage when the fruits of their labor ripen.

So what can government and universities do? Simply stated, all can provide the opportunity for ambitious people to obtain appropriate education, experience, and assistance; to inspire people to begin their journeys and to help people sustain themselves during their travel. However, the most important task of government and universities is to refrain from imposing their framework of success upon the aspirations and imagination of those who choose to venture into uncertain and unpredictable terrains. Rather than leading them into the world that you perceive, guide and support their journey into the world that they perceive for entrepreneurs see change as norm and healthy!

Unleashing the aspiration and imagination of those living in poverty



Source: https://mailchi.mp/a6c473de95a6/introducing-the-gppe-newsletter-5133893

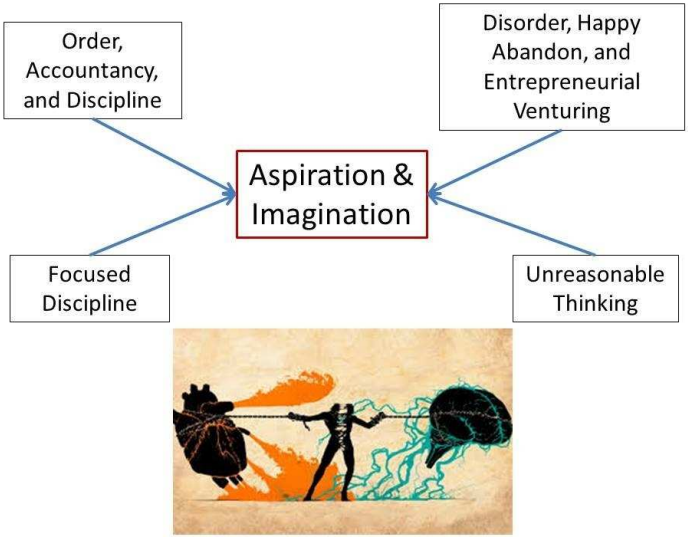
The fourth and final source of innovation and entrepreneurship that I'll discuss today is to tap the value in an underutilized resource: The poor. According to the World Bank, almost half the world's population, 3.4 billion people, live in poverty struggling to meet basic needs. If we fail to provide them the opportunity to aspire and image a better world and fail to provide them with the opportunity to begin their journey, we will lose our greatest underutilized resource and place an unimaginative burden on those who we do chose to support.

If you believe that poverty resides in the person, then you are likely to continue to focus support for those at the top of the income ladder. However, if you view poverty, as I do, residing in the context, you will see the village filled with

aspiring and imaginative people. Yes, the shift in support of seeking innovation and entrepreneurship among the poor begins within each of you who are listening to my presentation. If you share my perspective of people living in poverty, you will see the opportunity to unleash the enormous potential for innovation and entrepreneurship within your communities.

There is, of course, limited knowledge and many questions in our pursuit of tapping the aspirations and imagination of those living in poverty. We need to acquire a better understanding of both poverty and entrepreneurship. For example, we need a deeper understanding of how experience with poverty affects how individuals thinks, sets goals, senses opportunity, and perceives risk. As we answer these questions, we may need to adapt many of our basic approaches to entrepreneurship when working with those living in poverty as we consider the literacy gap and scarcity of the entrepreneurial mindset.

Some of you may claim that developing innovation and entrepreneurship among people living in poverty is an impossible task. I say it is impossible to accept a world that ignores the aspirations and imagination of people living in poverty. I agree with the World Bank's goal to increase income growth among the bottom 40% in every country, and it great to know that they sought to achieve this goal by financing the formation of self-help groups in one of India's poorest states by mobilizing almost 10 million rural women and granting them access to finance and markets to start and expand their businesses. What a wonderful initiative!



In conclusion I'd like to quote two of my favorite scholars. Following is a quote from E. F. Schumacher's 1973 book, ***Small is Beautiful***:

Without order, planning, predictability, central control, accountancy, instructions to the underlings, obedience, discipline – without these, nothing fruitful can happen, because everything disintegrates. And yet – without the magnanimity of disorder, the happy abandon, the *entrepreneurship* venturing into the unknown and incalculable, without the risk and the gamble, the creative imagination rushing in where bureaucratic angels fear to tread – without this, life is a mockery and a disgrace.

Schumacher, E. F., ***Small is beautiful, economics as if people mattered***. Harper & Row, Publishers, New York, 1973, p267.

The following quote is from Mike Morris in 2016. Mike Morris is an entrepreneurship professor at the University of Notre Dame.

"The core precept guiding our pedagogical approaches should be the idea that entrepreneurship is about empowerment and transformation. We are encouraging students to create their own future and futures for those around them. We want them to transform markets, industries, communities, and economies. We are teaching them to be somewhat unreasonable, challenge norms and be disruptive. Yet, as we teach students to challenge assumptions, think in bold innovative terms, identify and leverage the resources of others, and persist in creatively overcoming obstacles, we must also teach them to approach entrepreneurial action from a perspective of structure, rigor, logic and realism. In this sense then, entrepreneurship education represents the confluence of unreasonable thinking and focused discipline."

Annals of Entrepreneurship Education and Pedagogy edited by Michael H. Morris and Eric Liguori in association with USASBE 2016. Edward Elgar Publishing 2016, page xviii-xix.

So, there is a tension between order and disorder, between focused discipline and unreasonable thinking, and between accountancy and discipline and entrepreneurial venturing. The challenge before all of us, educators and policy makers, is the management of this tension. If we lack discipline, we'll end up in disarray; if we lack flexibility and acceptance, we'll experience a life of only "mockery and disgrace!" We need to accept as "normal" flexibility, continuous learning, and change as entrepreneurship will arise as deviations from the norm and expected.



How will your future be created?



So, as we search for the sources of innovation and entrepreneurship, seeking ways to develop and sustain the entrepreneurial mindset, we may be our greatest challenge to overcome. As it is our mindset that determines how we nurture and sustain the aspiring entrepreneurs who live in our communities.

Do we, as educators and policy makers, frame innovation and entrepreneurship as a rational and linear process like the input-process-output model? Meaning, if we want a higher grade of output, we simply change the inputs and processes. This model works well when manufacturing widgets, but is the model appropriate for stimulating and facilitating innovation and entrepreneurship? Do you view tomorrow's world as a simple extrapolation of what we have today?

Or do you believe that we will find the world of tomorrow in people's aspirations and imagination; do you believe, as I do, that people aspire only for a better world and that their imagination is grounded in the possible.

In 2001, Sara Sarasvarthy, the scholar who identified effectuation as a logic of entrepreneurial expertise, provided us clarity of our choice between administrative planning and entrepreneurial venturing when she explained that ***planning*** assumes that we already know exactly what we want and what we will become as well as the efficient process by which we will attain our goals of utility and profit maximization while seeking equilibrium. Conversely, she explained that entrepreneurship is the art of learning to outlive failures and cumulate successes over time, and at its heart, entrepreneurship is about the future; and the future is shapeable through human action.

If you do believe our future will come from people's aspirations, imagination, and be shaped by the choices we will make, then I challenge you to design your programs and policies to elicit, support, and sustain the unlimited potential of people's aspirations and imagination in order to create innovations and new entrepreneurial ventures for markets yet to exist; yet to exist in the unchartered, uncertain, and unfolding world we encounter with each sunrise, as entrepreneurship is about "doing something different rather than doing better what is already being done."[1]

[1] Peter F. Drucker (1985), ***Innovation and Entrepreneurship***, Collins Business, HarperCollins Publishers, New York, ISBN: 978-0-06-085113-2, p26.

Sources:

Planning assumes that we already know exactly what we want and what we will become as well as the process by which we will attain our goals: utility and profit maximization achieved through efficient markets seeking equilibrium. (Not a direct quote) (Sarasvarthy, 2001, "Entrepreneurship as Economics with Imagination," ***Society for Business Ethics***.)

"Entrepreneurship is the art of learning to outlive failures and cumulate successes over time." (Sarasvarthy, 2001, "Entrepreneurship as Economics with Imagination," ***Society for Business Ethics***.)

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"An Entrepreneurial System View of New Venture Creation" by Heidi M. Neck, G. Dale Meyer, Boyd Cohen, and Andrew C. Corbett. ***Journal of Small Business Management*** 2004 42(2), pp. 190–208