

Individual journal entry

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Introduction:

There are several concepts that are important for consideration when engaging in business. Thus, the subsequent lectures discuss the importance and relevance of various concepts such as the importance of intellectual property rights and whether they are effective, the reasons for becoming an entrepreneur and why some individuals would prefer not to become entrepreneurs, and how innovation is supported through organizational structure and organizational culture.

Lecture 5: Intellectual Property

This journal entry seeks to analyze the topic of Intellectual Property within organizations and how it is protected. Intellectual property is not visible nor does it contain substance. This is one of the main reasons that businesses seek to protect their intellectual property rights as it is rather easy for other firms to steal, replicate, or use intellectual property belonging to another organization. Accordingly, organizations go to great lengths to attempt to protect their intellectual property rights. However, it is often found that intellectual property rights are easily violated (Branstetter et al, 2011).

Intellectual property can be defined as “creations of the mind” such as inventions, artistic works, images, designs, and symbols. While these creations do not have a substantial form and/or cannot be touched, the concept or the idea is what substantiates intellectual property. Accordingly, intellectual property rights enable a person or a firm to exclusively claim use of the idea or concept that originates from them. Intellectual property is highly valuable in firms and is sometimes considered even more valuable

than economic gains as it is the core concept of a business and a source of identity for an organization. The Apple symbol for Apple Inc. is highly valuable and is part of the company's intellectual property as it serves as a basis of identity for the company. If another company began to use the same symbol on its products, this may threaten Apple's identity as consumers may begin to perceive the other company's products as Apple products. Thus, Apple and other firms use protection strategies in order to protect their intellectual property from being exploited or used by other firms (Klein, 2010).

There are numerous generic protection strategies which are available to all firms without cost as they naturally exist where applicable. Generic protection strategies are those that are a natural cause to the firm's expertise and thus automatically present a barrier for other firms from copying or imitating the idea or concept of the firm. The first generic protection strategy is lead time which constitutes the time taken for another firm to understand or be able to replicate a firm's idea. For example, in the mobile phone industry, if one firm produces a phone with certain technological features that do not exist in other phones, it will take some time for other firms to be able to figure out the type of technology used and then produce their own phones. Thus, by the time the competitor firm has produced the same technology, the idea may have already become obsolete and used. However, lead time barriers vary from industry to industry as in some industries the lead time is longer while in others such as the telecom industry, it is negligible (Dinopolous & Segerstorm, 2010).

Another generic protection strategy is the learning curve which implies that there is a certain cost advantage for firms that take the first initiative in an idea as they usually grasp the most market share. It takes time for other firms to learn and catch up and they are often unable to reap the cost advantages that the initial firm has reaped because they are not the original innovators. Another strategy is the secrecy in which a firm keeps the process they have used to produce a product secret. However, this strategy can become redundant after some time as processes can be reverse engineered, secrets are often hard to keep with staff movements, and non-disclosure agreements are often violated. The formula used to produce Coca-Cola is one of the best kept secrets in the business world, yet there are other drinks which attempt to replicate Coca Cola such as RC Cola, Pepsi, and others. Tacit know-how and product complexity are other generic protection strategies which make it difficult for other firms to copy or imitate processes or ideas as the knowledge and expertise required to replicate an idea is rather complex or technical and cannot be easily replicated. This is a strong form of protection for a firm as other firms find it difficult to replicate their idea, eliminating chances of competition. Moreover, when an inventor produces a high quality product that becomes a standard in the market such as Microsoft Windows, they automatically create a lead which protects them from replication. While generic protection strategies may be effective, they are temporary forms of protection and do not guarantee protection in the time of high technological competition (Davis, 2008).

Legal protection strategies must be acquired and do offer legal support for firms in the case of imitation or replication of their concepts or ideas. Legal

protection includes copyrights for literary and original work such as writings, music, software, and other things of its kind. The duration of the copyright is 70 years after the original author's death and gives a maximum amount of protection. Design rights offer the original creator the exclusive right to use a certain design for a period of 10-15 years after the product has originally been marketed. However, there are often loopholes in this legal protection as replications are often still made such as the replication of the design of Apple iPhone and Samsung Galaxy. Trademarks such as logos and company names must be registered and a fee must be paid to ensure that another firm does not use the same trademark or symbol. The last form of legal protection is patents which gives an inventor the exclusive right to produce and sell a specific product. The right remains with the person for the duration of the patent. However, patents last for only twenty years, are expensive to obtain, and do not guarantee success as they may be infringed (Kim et al, 2012).

Hence, while both generic protection strategies and legal protection strategies provide cover for a firm who is aiming to keep an idea or concept within their own realm, they are not always reliable. While legal protection may be an automatic right or a paid right as in the form of a patent, it does not guarantee that imitation will be prevented. It only means that the legal right holder has the ability to press charges on a firm who violates their right. This, however, does not eliminate all the loss incurred to the firm because of the infringement. Hence, protecting intellectual property in the contemporary world is a rather difficult ordeal (Simcoe et al, 2009).

Lecture 6: Innovation and Entrepreneurship

Innovation and entrepreneurship are two connected concepts which survive with one another. When an individual comes up with an innovative idea and seeks to find a market for it, the individual becomes an entrepreneur. There are various reasons for an individual to choose to become an entrepreneur as there are several benefits of becoming an entrepreneur. However, there may also be numerous reasons an individual may not choose to be an entrepreneur. The role of an entrepreneur is not easy and is highly self-sufficient. Thus, everybody does not possess the characteristics necessary for this role (Wang et al, 2012).

An entrepreneur is a person that comes up with an innovative idea and begins a business with it. The entrepreneur is the bearer of all risks and is the owner of the business. In many cases, the entrepreneur may also be the manager of the business or the sole person running the business. However, in many large organizations, entrepreneurs hire additional staff to help facilitate the working process. Nevertheless, there are certain skills required in an entrepreneur in order for the business to be successful. An entrepreneur must be decisive, creative, patient, possess managerial skills, coordinated, and analytical. Moreover, an entrepreneur must be able to face challenges and act quickly in critical situations. Thus, the role of an entrepreneur is highly important and carries high degrees of risk. Many people do not feel that they can deal with such high levels of risk and stress (Guiso & Shivardi, 2011).

UK statistics show certain entrepreneurial trends which show that men are two times more likely to become entrepreneurs than women and people in

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the age range of 35-44 show the highest amounts of entrepreneurial activity. Moreover, the educated class or graduates are more likely to indulge in entrepreneurial activity rather than non-graduates. People who have previously been employed are more likely to indulge in such activity. Also, people who are in the top-third spectrum of the income distribution are three times more likely to begin a business rather than those in the bottom half of the income distribution chart (Sogner & Fritsch, 2013).

Such characteristics show that entrepreneurship is probably considered a rather intense ordeal as women do not indulge in such activity as much as men. It also shows that entrepreneurial activity requires experience as people in the older age brackets of 35-44 indulge in entrepreneurial activity more than other age groups. Moreover, knowledge and education also helps in entrepreneurial activity which may be a reason why more graduates choose to pursue it rather than non-graduates. Lastly, entrepreneurial activity requires investment and money which may be a reason people in the top spectrum of the income chart are more likely to indulge in entrepreneurial activity rather than lower income groups (Clerq et al, 2012).

Thus, it is obvious that entrepreneurship requires a variety of skills and resources. However, there are five characteristics which may influence an individual's decision to become an entrepreneur. The first characteristic is the need for achievement as engaging in entrepreneurial activity is highly rewarding if success is attained. The second characteristic is the locus of control as some individual's may want to be in full control of their activity and may not want to share authority with anyone or give anyone authority on themselves. Thus, engaging in entrepreneurial activity enables them to

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maintain the locus of control (Magri, 2011). The third characteristic is the desire for autonomy as some individuals may prefer to be the sole decision makers and may not feel comfortable working in teams. Hence, some individuals have the desire for autonomy and thus find entrepreneurial activity as the most suitable option. Some individuals prefer self-efficacy in which they prefer to rely on their own performance rather than the performance of any other person and choose to be self-reliant. Such individuals are also more likely to engage in entrepreneurial activity. The last characteristic is related to innovation as some individuals are highly innovative and prefer to reap profits from their innovative abilities rather than use their skills for another firm.

The benefits of entrepreneurial activity include reaping all profits made and amounting to unlimited earnings if the business is a success. Examples such as Mark Zuckerberg, Michael Dell, and Bill Gates illustrate how unlimited profits can be made through innovative ideas. Moreover, entrepreneurial activity allows a person to be their own boss and explore their creative abilities. It also enables a person to design their own job description and pursue a path that is of interest to them. However, there are also certain aspects which cause an individual to choose not to be an entrepreneur (Banon et al, 2011).

As entrepreneurs carry all the risk, there are high chances of losing investment and incurring losses. Moreover, it is difficult to attain such amounts of money and raising capital can be a highly time-consuming and stressful job. Entrepreneurs also go through a lot of stress and there is no guarantee of income. There may be times when no income is made. Hence, <https://assignbuster.com/individual-journal-entry/>

many people do not possess the characteristics to be able to handle this situation (Zheng et al, 2010).

I would choose to be an entrepreneur because it would be a form of self-testing my abilities and being able to solely reap the profits of my success. Unlimited reward is an attractive feature of entrepreneurship, yet I would choose not to be an entrepreneur because of the high possibility of incurring losses as well. Moreover, the autonomy available to entrepreneurs is highly attractive, yet the stress of making wrong decisions can also prove to be highly hazardous. Thus, I would choose not to be an entrepreneur if the risk was high and the industry was highly competitive .

Therefore, it is obvious that entrepreneurship is not adequate for everyone but is a highly attractive option for those that possess the required characteristics and have an innovative idea to market. Hence, entrepreneurship carries its merits and de-merits and the success of the entrepreneur is not only dependent upon his/her own abilities but also depends upon the idea of the entrepreneur. Choosing whether or not to become an entrepreneur can be a long drawn process in which several aspects are considered and is a personal choice which may vary from person to person. I personally would choose to be an entrepreneur if I had an innovative idea which I knew had high chances of success.

Lecture 7: Innovation in Large Organizations

Large organizations that attempt to innovate must have supporting organizational structures and organizational cultures that facilitate opencommunication, maximum interaction, and the exchange of ideas in

order to continuously improve previous concepts. However, if the organizational culture and structure do not support innovation and are rather rigid, then it would be difficult for an organization to pursue such goals. Innovation requires brainstorming, open exchange of ideas, and a relaxed organizational culture which promotes the value of innovation. Hence, large organizations must ensure that their systems are designed in order to promote and pursue such values such as open communication, innovation, and a supportive organizational culture as some organizations may find it difficult to change their structure and culture further in their production processes (Zhang et al, 2010).

The effectiveness of organizational structure is dependent upon a number of factors which includes the leadership style and philosophy, the organizational culture, internal and external relationships, and processes that facilitate information sharing and decision-making. Thus, these factors must support the notion of innovation within an organization. There are five different types of structures which include functional, multidivisional, matrix, project-based, and a corporate venture (Valencia et al, 2011).

The functionalist structure connects the CEO to all departments, reduces complexity and simplifies control mechanisms, defines clear responsibilities, and there are specialists at senior and management levels. However, the functionalist structure reinforces hierarchical structure, causes an overburden to senior staff members, may be a cause to neglect strategic issues, and makes it difficult to cope with geographical and product diversity. Hence, the functional structure is not highly supportive of innovation as it is

no highly customer-oriented and does not facilitate maximum communication between departments.

However, the multi-divisional structure is more customer-focused, flexible and alterable, is controllable by performance, and is specialized by competences. Hence, as each department is highly competitive and focused upon customer needs, this type of organizational structure encourages and promotes innovation more than the functional structure. The matrix structure is another organizational structure which facilitates many departments and allows flexibility, minimizes resource requirements, is customer focused, and facilitates integrated knowledge. Although this structure increases the potential of conflict, ambiguity, and increases the time taken to make decisions, it does allow for cooperation between departments and minimizes costs. However, this may not be the ideal structure to promote innovation. The project-based structure focuses upon a single project per department and is very focused and specialized in its particular area of focus. However, this type of structure only lasts a limited amount of time and prevents interaction throughout the organization. Hence, this type of structure is also not ideally suitable for innovation. The corporate venture creates organizational entities that reside in or outside an existing corporation and infuse entrepreneurial activities in independent entrepreneurial firms. This enables motivation of employees, transparency in the system, and mobilization of the reputation of the brand or the company. This system promotes innovation as it promotes entrepreneurial activities (Valencia et al, 2011).

Organizational culture consists of the assumptions, beliefs, and the values that are shared and practiced by all members of an organization. These assumptions, beliefs, and values define an organization and the environment it operates in. Organizational culture facilitates communication within and outside the organization and is very difficult to change once an organization establishes a certain organizational culture. The organizational culture may include components of the societal or national culture an organization is physically situated in, the leadership and management style of the leader of the organization, and the nature of the business that the organization conducts (Menguc & Auh, 2010).

An organizational culture which promotes innovation has open communication between employees and managers and usually has a highly interactive and informal organizational culture. Participation in various activities and delegating authority to employees of lower ranks is highly encouraged as organizations must facilitate the exchange of ideas and information. Employees are openly allowed to make choices and decisions in order to devise new strategies and form new ideas for the benefit of the organization. However, organizational culture is very hard to change once it is established in an organization. Attempts to transform organizational culture fail because as there are eight distinct phases of change, skipping a stage may lead to failure. Making critical mistakes in any stage may also lead to failure and even the most capable people tend to make errors. Changing organizational culture takes time and effort and it is not easy for managers to incorporate the new organizational culture within employees in a short period of time (Menguc & Auh, 2010).

Lacking a vision, improper planning, lack of communication, and not anchoring changes in the corporation's culture are also causes to the failure of implementing a new organizational culture. Hence, it is highly essential for firms to implement an innovative organizational culture from the initial stages of being in business rather than attempting to change it at later stages (Fiedler & Welp, 2010). Promoting innovative values within employees and encouraging or valuing their opinion can prove to be beneficial for a firm favoring innovation. Aiming to change organizational culture at later stages can prove to be hazardous and confusing for employees as they may lose their sense of direction. Thus, the firm may suffer in terms of employee performance and motivation levels may also fail as employees are forced to adopt a new way of behaving in an organization. Large organizations who wish to pursue innovation must ensure that they incorporate this value in their organizational structure from the beginning (Linnenleuke & Griffiths, 2010).

Hence, it is obvious that innovation is a value that needs to be incorporated and facilitated by a firm's organizational culture and organizational structure. Open communication, exchange of ideas, and delegation of authority are characteristics which help promote innovation within organizations. An informal and interactive organizational culture and organizational structures such as the corporate venture, matrix organizational structure, and multi-divisional organizational structure support innovative activities. Hence, large organizations who wish to innovate must design their business environments accordingly (Mahmoudselahi et al, 2012).

Conclusion:

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The discussion on lectures 5, 6, and 7 shows that there are various aspects for an entrepreneur to consider and each aspect has positive and negative consequences. If an organization has to protect their intellectual property, they can do so through application of generic or law protection while both may not be permanently effective. There are certain characteristics that are needed within an individual in order for the individual to become an entrepreneur, while others may not prefer to be an entrepreneur because of the high levels of risk involved. Organizational culture and structure are important concepts that must be embedded into an organization to promote the value of innovation, as they are very difficult to change at later stages.

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