

# An entrepreneurial firm



## **Introduction**

A business that is privately owned and operated with a small number of employees and has relatively low volume of sales is called a small business. It can be started at a very low cost and on a part-time basis. Small Business Management refers to management of such small businesses.

A firm which undertakes risky ventures and engages in product-market innovation is called an entrepreneurial firm. (www. highbeam. com)

An Entrepreneur is a person responsible for setting up a new enterprise. He has the initiative, skill for innovation and ideas. He looks for high achievements and assumes significant accountability for risks taken and their outcome. Entrepreneurship involves taking risks, investing under uncertain conditions innovating, planning and taking decisions to increase productivity and profits.

The purpose of this project is to understand and analyze the characteristics of entrepreneurs and entrepreneurial firms by critically evaluating the entrepreneurial orientation of the “ Google Inc” and entrepreneurial traits of its founders, critically evaluating the entrepreneurial orientation of a local small business and entrepreneurial traits of its founders and commenting on the differences/similarities between the two.

The local small business chosen for this project is Layali al Asalah. It is an institution which encourages Omani women fashion designers to hone their skills to become more creative and innovative.

## **Entrepreneurial Orientation**

Entrepreneurial Orientation refers to “ the processes, practices, and decision-making activities that lead to new entry”(Lumpkin & Dess, 1996, p. 136). It is a key ingredient for a firm’s success. Entrepreneurial Orientation is a strategic response to a complex set of institutional environment and firm factors. Entrepreneurial behaviour, behaviour that is more aggressive, innovative, proactive and risk taking, is significantly associated with specific attributes of the institutional environment of the firm. It is also associated with the perceptions that firm leaders have of that environment and the resources available to the firm for responding to environmental conditions. (www. freelibrary. com)

## **Entrepreneurial Traits**

Entrepreneurial Traits, also known as entrepreneurial competencies refer to a mixture of knowledge, skills and personality required to successfully run a business with superior performance. Some of the most prominent traits possessed by successful Entrepreneurs are:

**Initiative:** It is an inner urge in an individual to do or initiate something.

Entrepreneur is an innovator who explores new ways of working to initiate and accelerate the process of economic development. He is always on the lookout for opportunities and is ready to exploit them in the best interests of the organization.

**Motivation & Persistence:** An entrepreneur is self motivated towards achievement, is never disheartened by failures and is dedicated to what he does.

**Commitment to efficiency:** An entrepreneur is always keen to devise new methods aimed at promoting efficiency, making work easier, simpler, better and economical.

**Idea generation:** An entrepreneur generates new ideas through vision, insight and observation and also through environmental scanning and market survey.

**Creativity:** Creativity refers to richness of ideas and originality of thinking and ability to produce something new through imaginative skill.

**Innovation:** Innovation means doing new things or doing things in a new way. It includes new processes of production, introduction of new products, creation of new markets, discovery of a new and better form of organization and the like that enable the organization to gain competitive advantage in the market.

## **Introduction to Google Inc.**

**Mission:**

To organize the world's information and make it universally accessible and useful. (www. google. com)

**About Google Inc.:**

Google Inc. is a search engine, an entrepreneurial venture by Sergey Brin and Larry Page. Google, initially named Backrub, was started as a research project by Sergey Brin and Larry Page. In 1997 they registered the domain name google. com derived from the word “ googol,” a mathematical term to

representing one followed by 100 zeros. It was named so to reflect the immense volume of information that exists, and the scope of Google's mission. In 1998, it became a privately owned incorporate known as Google Inc. With use of state of the art technology and extensive research on search algorithms, Google successfully established its brand name in internet search engines. It now employs almost 20, 000 employees world over with a management team which boasts of having some of the most experienced technology professionals in the industry. Google became successful because it was faster and better at finding the correct answer than other search engines at the time. Over the years Google has grown and expanded offerings from a single service to dozens. Its dedication to its users and belief in the possibilities of the Internet remain unchanged.

#### Products and Services offered:

Online productivity software like the Gmail e-mail software, applications such as the web browser Google Chrome, social networking tools like Orkut and Google Buzz, the Picasa photo organization and editing software, Google Talk instant messaging and phone operating system like the Android mobile.

#### Culture:

Google is known for having an informal corporate culture. Google still maintains a small company feel even though it has grown a lot since its inception. Its commitment to innovation depends upon everyone feeling comfortable sharing ideas and opinions. No employee hesitates to directly pose questions to Larry or Sergey. When not at work, the employees pursue interests from wine tasting to flying Frisbee.

## **Entrepreneurial Orientation of Google Inc.**

**Risk taking:** Embarking on new ventures like Google Green and Google Venture gives evidence that Google inc. is a risk taking firm as significant amount of resources were committed in these ventures without surety of their success. Google is the only company in the world which was bold enough to take the risky step of playing with the Company's logo by creating doodles. In 2011, Google will launch Google TV which is a combination of TV, applications, search and entire web on TV. This is a risky venture considering that it will be in direct competition to conventional TV.

**Innovation:** Even after having successfully established a brand name, Google Inc. has continued to invest heavily in innovation and launched many new products and designs over the years. They have kept the element of imagination that transforms designs from simple to delightful alive and kept evolving products in new directions. Some of their innovative products are:

**Google Translate:** It is the world's largest machine translation engine having more than 50 language pairs. Google Translate mobile version can transcribe one's voice, translating the content into any other language of choice and then speaking it back to the User.

**Android:** It is a mobile service which lets Users access information at will. Users can carry out various tasks like checking mail, online shopping etc from their mobile phones.

**Google Instant:** It predicts User's search and shows results instantly even before typing is finished.

Google Books: It allows users to manage a personal bookshelf, see what books friends are reading, share books etc.

Google Chrome: It is a modern browser designed to handle complex dynamic web. Chrome was built based on three ideas: simplicity, speed and security. Its powerful JavaScript engine helps Chrome handle complex web applications at lightning speeds. It includes features designed for efficiency and ease of use. For example, one can search and navigate from the same box. It has built in features like translation, built-in malware, phishing protection and auto updates to ensure the browser is up-to-date with the latest security updates.

Service consciousness: Google Inc. is committed to providing best quality of services to the Users. The company knows that time is valuable for Users and therefore it aims to provide fast, accurate and easy-to-use services.

Google's search interface is offered in more than 110 languages and translation tools are available to translate web pages to address the needs of people around the globe.

Competitive aggressiveness: Competition keeps Google Inc. on the toes.

Google continuously invests in research & technology to keep ahead of competition. Owing to cut throat competition from rivals like Microsoft's Bing, Google has enhanced output potential of every internet search by introducing Google Instant which makes the search faster by almost 2 to 5 seconds.

Autonomy: It refers to the independent actions taken by entrepreneurial leaders or teams to start a new venture and seeing it succeed. Google Inc.

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has started various new ventures like Google Org & Google Green and worked hard to make them successful.

### **Entrepreneurial traits of Google's Founders:**

**Vision:** Google's founders were very technology savvy and wanted masses world over to have access to the vast information available all over with the help of technology. They had the vision to make internet and power of search to help people use information to improve their lives and contribute to economic development.

**Passion:** Google's founders are passionate about their business. Being one of the world's largest research groups focused primarily on addressing search related problems, they know what they do well, and how they could do it better. Their dedication to improving search helps them apply what they have learned to new products.

**Creativity:** From the beginning, Google's founders have been working on technology that can help improve existing ways of doing business. They have built an informal culture and a working environment where employees are encouraged to be creative and create innovative products that solve real-world problems. To motivate the employees, a Founders Award is presented to teams who create innovative products.

**Risk taking:** Larry and Sergy saw an opportunity for search engines and took a risk by creating Google Inc. after heavily borrowing money.

**Opportunity seeking:** They believed in the possibilities of internet and saw an opportunity in the market for search engines. Their idea was new and risky



but they were determined to make it work. Even after its success they are always on the lookout for opportunities and ready to exploit them in the best interests of the organizations. They work with their teams to discover people's actual needs, including needs they can't always articulate. Armed with that information, they create products that solve real-world problems. There was a need to be able to access information on the move, saw that as an opportunity and developed android. There was a need for Search results being faster, so developed Google instant.

### **Small Business: Layali Al Asalah**

Vision:

To promote fashion as a great medium to showcase the designers' creativity as well as empower, teach women about business and entrepreneurial skills.  
([www.layalialasalah.com](http://www.layalialasalah.com))

About Layali Al Asalah:

Layali Al Asalah which means “ Night of Culture” is a small business entrepreneur venture in Oman started by three friends Samah al Wahaibi, Najla al Kindi and Nadia al Zakwani, It is a fashion institution which trains Omani women fashion designers to make it big in the fashion industry. It encourages Omani women interested in fashion designing to think creatively, improve their technical skills and discover the entrepreneur within them.

The three friends realized that many Omani women were into fashion designing but lacked formal fashion know-how. They wanted to do something interesting and different for female fashion designers in Oman but had no

formal plans of establishing any business. Samah got an opportunity to attend a seminar “ Breaking the Glass Ceiling” in Salzburg which was about accomplishments of women from worldwide. The success stories of the talented women inspired her to start a business venture of her own. Upon returning to Oman she got together with her two friends and in 2006 founded Layali Al Asalah Co. to provide formal training and education in fashion designing aimed at attracting emerging Omani women fashion designers.

They started off the venture by organising a competition called “ When Authenticity Speaks”, where the theme centred on the Omani embroidery. The competition categories included Omani outfits for women and handbag & shoe designing. This competition is now an annual event. Scholarships to pursue courses in University of Milan are awarded to the winners to who then go on to create their own fashion brands.

Products and Services offered:

In addition to providing formal training and education, their offerings include arranging Concerts, Event Management, Fashion Shows and organizing Workshops and Exhibitions.

In 2009, they created an Asalah villa, which rents space at reasonable rates to budding designers who are otherwise compelled to operate from home due to high market rental. Building upon the success of Layali Al Asalah & Asalah villa, they opened up a store called Layali Al Asalah Shoes. The strong selling point about their shoes is that all shoes have a strong Omani presence with glimpses of several other cultures in it.

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## **Entrepreneurial Orientation of Layali Al Asalah**

**Innovation:** Layali al Asalah is an innovative venture as there was no such fashion institution in Oman till this venture, which offered any training to Omani women in fashion designing. The competition “ When Authenticity Speaks” also is one of a kind in Oman where themes include Omani embroideries and the designers get to show their creativity in Omani garments, handbags, shoes, etc. The winners are chosen through online voting which is also an innovative idea using latest technology. The competition is made more lucrative & attractive to women by offering of Scholarships for further studies at University of Milan. The concept of Asalah villa helps budding designers promote their business, create a client base and participate in exhibitions. Layali Al Asalah Shoes churn out shoes with innovative designs. Each shoe is wrapped in Omani and various other cultures. For example authentic Omani silver jewellery is incorporated into rainbow hued shoes representing Omani culture. Annual bazaar under the name Asalah Bazaar is another innovative idea where the participants display their collections & sell the products at discounted prices.

**Risk taking:** Layali al Asalah is willing to accept business risks as is evident from their various new ventures like Layali Al Asalah Shoes & Asalah villa started over the years since their establishment even though there was no surety of success. Funding for the new business ventures is a challenging task for the organisation due to limited availability of resources.

**Proactiveness:** Layali al Asalah is an opportunity-seeking, forward-looking venture which has been proactive in introduction of new ideas like the Design competition, organisation of annual bazaar for display & sale of

products, etc. It has created new products like shoes with glimpses of Omani & other cultures. It has stayed ahead of the competition and has been acting in anticipation of future demand of their offerings.

**Autonomy:** Asalah villa and Layali Al Asalah Shoes were new ventures by Layali al Asalah where the founders took the necessary steps independently to ensure success.

**Service consciousness:** The organisation is fully devoted to ensure that their services are of highest quality standard and it puts in its best for achieving these standards. The organisation believes in excellence which is reflected in everything it does. The workshops and exhibitions are held in line with the progress in world fashion industry. Scholarships to desiring candidates ensure that they can compete with the latest in fashion industry.

### **Entrepreneurship traits of Layali Al Asalah's Founders:**

**Risk taking:** The founders were very young and inexperienced in the field of business management. Although they were highly motivated and enthusiastic, they were not familiar with the risks of the business. However, they took the risk of starting the business without worrying much about the consequences. Even after successfully establishing the organisation, they continued to venture into implementation of innovative ideas like Asalah villa and Layali Al Asalah Shoes.

**Self confidence:** Though the founders lacked resources and knew it was a risky venture, they were determined to convert their idea into a reality and were not cowed down by difficulties as they believed in their abilities and

strengths. Not only did they make the venture successful, they continued to grow it by opening more branches.

**Creativity:** It refers to the phenomenon whereby a person or a group of persons create something new which may be a product, a solution, or an enterprise which has some kind of value for the society. The creativity of founders of Layali Al Asalah is evident from their ability to use their imagination, analytical approach and intelligence to convert their idea of fashion designing institute into a reality. They continued to explore new ideas like designing shoes with Omani jewellery and gluing Chinese embroidered silk fabric onto the shoes. The concept of Asalah Villa & Bazaar to help budding fashion designers also depicts their creativity. The founders came up with “ I Read A Book” a creative concept aimed at promoting reading of books amongst Omani people, through a fashion show with the theme of libraries, books and reading which brought to light the libraries available locally.

**Opportunity seekers:** The 3 founders saw an opportunity for opening an organization that would encourage those interested in fashion designing to improve their technical skills and discover the entrepreneur within them. In Oman there were several shoemakers who made slippers for Omani men but hardly any for women’s shoes. Hence an opportunity in shoe making market was discovered and Layali Al Asalah shoe was created. Rentals are considerably high in Oman and therefore budding entrepreneurs are compelled to limit their businesses to their homes. Capturing this as an opportunity, the founders launched Asalah villa, which rents space at reasonable rates to budding designers.

## **Conclusion**

The prime difference between an entrepreneur and small business owner is that the small business owner remains contented with earning enough profits to live his life comfortably and keep his business running, is not really interested in expanding his business and is more than likely to keep the business within the family. Another notable difference between the two is that a small business owner tends to need motivation; whereas, an entrepreneur is fuelled by ambition, drive and inspiration. Small business owners are not the ones to “think out the box”; whereas, entrepreneurs come up with new ideas, innovative products, as well as construct creative strategic marketing plans. In a competitive environment innovation provides the basis for sustainability of an organization.

Entrepreneurs innovate and the instrument of entrepreneurship is innovation. Entrepreneurship is a creative activity and an innovative function. Innovation may be in the form of a new product or production process, opening a new market or a new form of organization. Economic growth depends on the rate of applied technical progress i. e. innovation which in turn depends on the supply of entrepreneurs in the society. Thus the entrepreneur is the agent of change in the society because he is the one who always searches for change, identifies needs, responds to them and exploits them as an opportunity and in turn generates employment opportunities for others.

Upon analysis of the traits of Google Inc. & Layali Al Asalah, it can be concluded that Google Inc. is an entrepreneurial firm while Layali Al Asalah is a small business with very strong entrepreneurial orientation and therefore

can also be considered an entrepreneurial firm. Both the firms have similarities in certain prominent traits like risk taking, innovation, autonomy and service consciousness. Both firms had humble beginnings at a small scale and went on to grow and expand their operations. Important differences exist in the level of innovation and competitive aggressiveness. While Google Inc. is more innovative & competitively aggressive, Layali Al Asalah is limited in its scope of innovation and competitive aggressiveness as it competes in a very small market compared to Google Inc. which has a global reach. Google Inc. has stronger impact on the economy due to its huge size, extensive reach to the world masses and available resources while Layali Al Asalah's impact is more at the local economy level as it addresses the needs of a smaller population of masses, is smaller in size and has limited resources.

Google Inc.'s business is largely dependent on innovation for growth and therefore it invests heavily in the employees thereby creating jobs all over the world further contributing to the economic development of many countries.

Entrepreneurial firms like Google Inc and select small businesses with very strong entrepreneurial orientation like Layali Al Asalah contribute significantly to the strengthening of the economy by efficiently utilising resources and creating opportunities for people prevent the economy from stagnation as they continuously innovate and sustain competition. In comparison, the small businesses without any entrepreneurial orientation are unlikely to fuel the economic growth of any country. It is therefore better

to have entrepreneurial firms instead of small businesses without any entrepreneurial orientation.