

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

GRADUATE SCHOOL OF BUSINESS

 **JUN 2023**

MASTER OF BUSINESS LEADERSHIP

ENTREPRENEURSHIP AND NEW BUSINESS DEVELOPMENT (MEI 503)

EXAMINATION PAPER

DURATION: 3HOURS 30MINUTES

INSTRUCTIONS AND INFORMATION TO CANDIDATES

1. Section A is compulsory and carries 40 marks
 2. Answer Question One from Section 'A' and any three (3) questions from Section B.
 3. The paper carries six questions.
 4. All questions in Section 'B' carry equal marks of 20 each.
 5. Include real life examples in your answers.
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SECTION A [COMPULSORY]

QUESTION 1

CASE STUDY: INNOVATION AND INTRAPRENEURSHIP DRIVE ORGANIZATIONS

“He that will not apply new remedies must expect new evils: for time is the greatest innovator”

Francis Bacon (1561 – 1626)

New Ventures and New Businesses

New business venturing is the most important dimension of intrapreneurship as it can results in the creation of a new business within an established organization by redefining the firm's products/services and/or by entering new markets. The new ventures dimension refers to creation of new parts or firms, whereas the new business by the founded organization without forming new organizational entities

Intrapreneurship includes new product improvement, and new manufacture methods and procedures new product and/or service improvement can be estimated a vital factor that differentiates successful from unsuccessful organizations.

Schumpeter stressed the role of entrepreneur as an innovator. From a Schumpeterian view an entrepreneur carries out new combinations of resources to create products that didn't exist before. Innovation is an important dimension of intrapreneurship as a result the intrapreneurship is an entrepreneurial action in an existing organization.

“Risk taking with regard to investment decisions and strategic actions in face of uncertainty” Intrapreneurs are risk takers who are willing to commit their time and energy to making a good idea an innovative reality in their organization. Through this process they add a large repertoire of skills and experiences that helps build a career. It is necessary to develop an intrapreneurial environment for risk-taking. Risk-taking emerges as a regular factor in that employees and management must have a wishful to take a risk and have a tolerance for collapse should it arise.

Intrapreneur is somebody who “A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation” Risk-taking is one of the important elements of intrapreneurship. So by encouraging risk taking and experimentation, a corporation has more chances of creating a successful product.

Identifying Innovation Components

Discussions with senior management highlighted the following as important components in fostering innovation within: Service innovation often leads to product innovation, quality improvement is often an identifier of a service innovation. Product innovation can often fail, or be less successful, if it is not linked to the appropriate service innovation. Problem solving within a creative and supportive team environment is an acquired skill that can be improved and enhanced if correctly supported, not an existing skills set as often assumed. For creativity and innovation to grow rapidly the ability to work within teams is essential. However, this skill is often more readily developed in an environment where the problem/project provides quick results that are significant to the organization and the outcomes are achievable. These are characteristics more commonly identified with quality improvement issues rather than service or product innovations, which are often longer-term issues, the significance and outcomes of which are not always readily definable.

Innovation for Intrapreneurship

Intrapreneurship has been conceptualized as the actions of individuals within organizations leading to innovation of product, services or processes. Failing to consider linkages between the phases of team development, service innovation and product innovation has prevented organizations from optimizing the benefits accruing from intrapreneurial activities. Innovation also involves the introduction of new products, services, systems or processes, or the adaptation of existing ones.

Innovation requires allocation of resources, long-term planning in the future. This provides insight into what is related in terms of new products, procedures and services. In addition to faith in the future, innovation needs management committed to quality, productivity and effectiveness and the policies, programmes and procedures that make middle management and those they lead, skeptical of the efforts to create greater effectiveness and productivity. At the centre of this approach is the appropriate application of education within an environment that communicates and promotes innovative, thought-aligned actions. Success through a planned and structured approach to innovation can contribute to corporate growth and competitive advantage. A review of three approaches adopted by successful companies suggested that multi-disciplinary teams

have an important role to play particularly in screening proposals and developing strategy. "The innovation process operates as a continuous spiral at the team development, service innovation and product innovation phases. Achieving appropriate levels of knowledge and outcomes indicate the point of departure for the next phase of the process.

Intrapreneurs seek opportunities, and innovations provide the instrument by which they might succeed. In summary, corporate intrapreneurship often refers to the introduction of a new idea, new products, a new organizational structure, a new production process, or the establishment of a new organization within an existing organization. Intrapreneurship and innovation concepts are closely related to each other. It is necessary to discuss these concepts together and to encourage within the organization for effective organizational performance

Intrapreneurship Concepts/ Theories

The concept of corporate entrepreneurship has evolved for decades and the definitions have varied considerably over time. The early research in the 1970s focused on venture teams and how entrepreneurship inside existing organizations could be developed (Hill and Hlavacek, 1972). This write up seeks to explore the concept of corporate entrepreneurship and how it can be implemented in my organization.

Corporate entrepreneurship concepts vary from one scholar to another with other scholars talking about the same issues put differently. Clearly, what works for one company might not work for the other. Research has identified dimensions under the direct control of management that consistently differentiate how companies approach corporate entrepreneurship. The first dimension is ownership, who, if anyone within the organization has primary ownership for the creation of new business. This is important as responsibility and creation of new business might be focused on different groups within the organization or it might be diffused across the organization.

The second dimension is the resource authority. Is there a dedicated pot of funds allocated to corporate entrepreneurship, such that viable ideas can be tried or are business concept funded in an ad hoc manner through divisional or corporate budgets. These two dimensions generate a matrix with four models. These models are called the opportunist which is diffused ownership and ad hoc resource allocation, the enabler (diffused ownership and dedicated resources, the

advocate(focused ownership and ad hoc resource allocation and the producer(focused ownership and dedicated resources. Each model represents a distinct way of fostering corporate entrepreneurship. These models help companies build corporate entrepreneurship in different ways.

Required:

a). How are new ventures created within the existing business entity?

(10 marks)

b). Assess the importance of supporting risk taking in intrapreneurial organizations.

(10 marks)

c). Explain the role of multidisciplinary teams in idea generation and screening.

(10 marks)

d). Examine how Innovation is related to Intrapreneurship.

(10 marks)

[Total: 40 marks]

SECTION B: (Answer any three [3] questions)

QUESTION 2

Examine the importance of the Personal Entrepreneurial Strategy to the success of new business formation.

[20 marks]

QUESTION 3

Explore the attributes of a successful entrepreneur in the business sector you are familiar with.

[20 marks]

QUESTION 4

Assess the sources of start-up capital for a new business in any sector of the economy.

[20 marks]

QUESTION 5

Analyse the challenges of Digital Entrepreneurship in Zimbabwe.

[20 marks]

QUESTION 6

Examine how the creative industry sectors can be developed in Zimbabwe.

[20 marks]

END OF EXAMINATION PAPER