INNOVATION - THE CHARACTERISTIC TOOL OF ENTREPRENEURS

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Abstract: The entrepreneur’s actual innovation and innovative spirit are of great importance. Many entrepreneurs are very capable and obtain expected results in production or product opening, but very few know how to sustain a creative innovative activity or to stimulate the creativity and innovative spirit of the staff he is working with in research. The implications are the more obvious if we consider the fact that the force of modern development consists in the capacity of inventing and then in the capacity of creating new products based on innovations. To be able to adapt to these imperatives, the entrepreneur needs to embrace the new and challenge it.

Key words: innovation, creativity, entrepreneur, challenge

The entrepreneur is defined as being the one who “creates something new, something different”, the one who “changes or transforms values”. Specialists in economy also use the term entrepreneur with the meaning of enterprising person. An entrepreneur’s work is based on a complex of theoretical knowledge and practical skills. Through all these, the entrepreneur has the possibility to understand the theoretical bases of the entrepreneurial activity, to collect a fund of expertise documentation, to outline standards regarding performances, conduit and ethic criteria. Intelligence, energy, far-sightedness, decision-making, capability and initiative emotional balance, intellectual flexibility, intuition, passion for working with employees, receptivity towards technical and social progress, honesty, good intentions, integrity and justice are among the most important features of entrepreneurs. An enterprising person is somebody who starts his own business, who organizes, leads and assumes responsibility for any possible risks encountered along the way. Some specialists in economy also sustain that an enterprising person can create an economical activity “out of nothing”.

The experts divide an entrepreneur’s assets into several categories. One of the categories is created on the basis of individual talents, entrepreneurial knowledge and entrepreneurial expertise, and characteristic features, while the other is created on the basis of the actual content of the activities, expertise and experience and talent in working with human beings. In certain situations when an entrepreneur has to posses other features too:

- tolerance,
- the will to listen to others,
- quick evaluation,
- recognition of the good side of things and employees.

The following features are also vital:

- intellectual capacity,
- intellectual efficiency,
- enthusiasm,
- power to express your thoughts and opinions.

Psycho-socio-professional requirements of the entrepreneurial activities necessitate for the entrepreneur to have additional characteristics besides the ones presented above. These characteristics are in close correlation with:

- creativity,
- imagination,
- temper,
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character.

The entrepreneur has to respect a sum of basic principles, besides those mentioned above:

1. The limitation of founder members or partners strictly to those who are really interested in investing and are aware of the risks involved.

2. The clear delimitation and specification of the business background, of its activity and of the company’s goals, in precise terms which have to also refer to the type and size of necessary acquisitions, to the way of their concretization, to the reasons of a certain acquisition.

3. The concentration of all available resources of the company towards realizing two or at most three highly important specific operational objectives, specifying at the same time the necessary period of time in which they will be achieved.

4. The existence of a written plan of action which must define the tasks, responsibilities and authority of every person in the company.

5. The strategic employment in key positions of successful people in their field of activity to carry on the company’s essential achievements according to its value scale.

6. The rewarding of individual performances which exceed the standard requirements in order to assure the necessary motivation and professional competition, succeeding in increasing the activities efficiency.

7. The realization of methodical expenses, taking into consideration the ratability and the favorable balance.

8. The planning, controlling and maintaining, of the business’s cash flow, in order to ensure- in a sufficient amount the necessary liquidities that will create the company’s credibility in front of the creditors and business partners.

9. Permanently keeping an enlarged image, as objective as possible, over the parameters and terms of the activity’s development and at the same time over the business’s perspectives.

10. Having a permanent preoccupation regarding the anticipation of possible changes so that the business plan can adjust to their content and to the market’s realities.

11. Focusing the management activity on objectives, on innovation and on materializing opportunities.

Creativity is one of man’s superior aptitudes, one of the psyche’s processes that helps identify new, original possibilities of combining heterogeneous, more or less related elements, consisting in knowledge accumulated through study or experience, combining which represents a scientific, technical or artistic creation that forms a material or spiritual asset that turns out useful for society for a certain period.

Most economists claim that the creational process has four stages:

1. Preparation –the stage in which the creator receives and memorizes diverse information, after which he distances himself from the problem that is preoccupying him-

2. Incubation –prepared by the distancing from the problem, it consists in its projection from the conscious to the preconscious where the combining activity, which unleashes the attention, permitting it to gather new information which becomes supplementary reference elements for new associations with the projected problem in the preconscious-

3. Illumination –the stage that can occur anywhere and anytime, in which the combining of distanced elements, which is mostly instantaneous, in a new way, is accomplished as well as the projection of the combination in the conscious field-

4. Realization –the stage in which the creator returns to reality, resorts to logic and concrete means of communicating the result of his creation and verifying its validity-

The creativity requires native abilities:

- superior intelligence,
- intuition,
- a rich imagination

which appropriately cultivated and developed amplify one’s creative capacity.
Innovation is the characteristic tool of entrepreneurs; it is the means through which they exploit change as a possibility to accomplish different businesses or services. It is necessary for entrepreneurs to consistently search for innovation sources, their changes and symptoms, which indicate the possibilities of realization of successful innovations. Nowadays, because of acerb competition, entrepreneurs have to practice systematic innovation. Change is the one who is always offering opportunities to create something new, something different. Systematic innovation therefore consists in the organized, purposed search for change and in the systematic analysis of the opportunities that these changes provide for economical or social innovation. Systematic innovation represents the identification of the seven sources or factors that favor innovation:

- The first four sources are located in the interior of the enterprise. They are mainly symptoms, but they are also very secure change indicators of the changes that have already taken place or that can be easily accomplished:
  - The unpredictable: unexpected success, unexpected failure, the unexpected exterior event;
  - The discrepancy between the actual reality and the way it is thought to be or the way it ‘should be’;
  - Innovation based on operational necessities;
  - Changes in the structure of the industry or market that surprise everyone;
- The second group of innovation sources implicate changes outside the enterprise or branch of activity:
  - The demographic phenomenon (changes in the structure of the population);
  - Changes of perception, disposition and signification;
  - New knowledge, both scientific and unscientific;

The seven sources claim a separate analysis because each of them has its own characteristics. But neither of them is more important or productive than the other. However, the order in which they will be analyzed differs, as they are presented in the descendant order of credibility and possibility of being anticipated.

Some specialists consider innovation a process that attempts ‘to couple’ imaginative people’s ideas with current realities in science, technology and market –it represents a continuous creative flow, which begins from the initial idea and moves through the stages of the research-development activity, as it is oriented towards finding the best solutions of harmonizing the different factors’ requests and incidents, appropriate solutions during a certain period and, therefore, changing.

The indispensable conditions for accomplishing a successful innovation are:

- the existence of a clear strategy, of perspective, regarding the orientation of the creative potential, the innovating efforts and their stimulation;
- the setting for limited periods of precise objectives to which all innovating efforts should be devoted;
- the availability of all necessary resources for the innovation effort;
- the thorough knowledge of market request, the anticipation of future requests;
- the harmonization of technical solutions with commercial ones, the adopting of selection and evaluation of innovation projects criteria so that the necessary harmonization is assured;
- the maintenance of a close contact with beneficiaries, the thorough acknowledgement of their needs;
- the realistic evaluation of one’s own innovation potential;
- the profound integration in the scientific and technical activity, both nationally and internationally;
- the existence of a scientific and technical personality leading the innovating organization, capable to polarize, to guide and use to the full all creative energies through formal and professional authority, through experience and energy.
Innovation at enterprise level is conditioned by a series of specific factors, both to the enterprise as an institution, as well as to the people, as they are: the coherency of strategy, the clarity of the objectives, a sufficiently high enough financing degree and a proper management of the innovating activity, the existence of complete teams, capable of solving complex problems which may appear during the development of the project, the existence of clear results’ and people’s work evaluation, the existence of a competitive climate, both inside and outside the enterprise.

In order to stimulate creativity and innovation, the entrepreneur can appeal to four modalities:

1. the organizing of the creative and innovating week, that reunites the ones who take on the problem to reflect on present and future aspects and outline the concrete measures that will be presented to the manager;
2. the construction of a special team, reunited only when needed to use their ideas and intelligence in order to stimulate creativity in the unit;
3. the constitution of a permanent creativity department, whose leader receives, regroups, sorts out and processes new ideas;
4. the selection of a permanent creation group that reunites once a week and to who all problems are revealed;

The innovation is a necessary ingredient for stimulating growth. To achieve successful economic development, a country must experience both economic growth and "fundamental changes in the structure of its economy" (Gillis, 1996). Despite their typically unappreciated role, entrepreneurs orchestrate these transformations and create new channels for economic activity and employment. Thus, all countries that wish to pursue continued development must encourage entrepreneurship.

Bibliography