

ISSUES OF ENTREPRENEURSHIP AND INNOVATION

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ABSTRACT

Entrepreneurship and Innovation

Because the purpose of business is to create a customer, the business enterprise has two – and only two – basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. -*Peter Drucker*

Difference between Entrepreneurship and Innovation

An entrepreneur is a person who starts a new business. That's not necessarily innovative, but it can create new jobs and new wealth, so it is valuable. Sometimes, entrepreneurs create new businesses based on new ideas, either inventions or new innovations. However, a person running a McDonald's is also an entrepreneur, but not necessarily innovative. Innovation can happen in any organization, of any size. An innovation is a new idea that is put into valuable or profitable action. Innovation is a part of our daily life.

An innovation can be created by an inventor who then licenses her invention to others to commercialize, or commercializes the concept herself as a small business person - in this case as an entrepreneur. An innovation can (and often is) created by a large organization to disrupt an existing market space or create an entirely new market (the iPod or Flip Video recorder are two good).

KEYWORDS: Entrepreneurship, Development of New Products, Global Players