ENTREPRENEURIAL SPIRIT AND INNOVATION

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ABSTRACT:
The key role of the entrepreneurial spirit of individuals, teams, enterprises, cities, regions, and nations in building competitive economic systems and promoting economic growth has been widely acknowledged both in the academic world and the business world. More and more entrepreneurs are interested in becoming innovators as innovation leads to obtaining better business performances. The paper aims to emphasize the way the entrepreneurial spirit is nurtured by innovation in a highly competitive global business environment. In this respect, the British self-made billionaire and one of the best-known living inventor James Dyson constitutes a valuable example. The methodology is based on the use of a quantitative research method. The results of the paper show the importance of innovation in fostering the entrepreneurial spirit.

KEYWORDS: *entrepreneurial spirit, innovation, entrepreneurship, James Dyson*

JEL CLASSIFICATION: *L26, O30*

1. INTRODUCTION

The key role of the entrepreneurial spirit of individuals, teams, enterprises, cities, regions and nations in building competitive economic systems and promoting economic growth has been widely acknowledged both in the academic world and the business world. This is why expanding the level and intensity of entrepreneurial activity within all countries represents an increasingly important objective, especially for developing countries (Levenburg and Schwarz, 2008).
During the last decades considerable efforts at understanding how the entrepreneurial spirit is awakened, invigorated and stimulated have been made by academics and researchers all over the world (Morrison, 2000; Brazeal et al., 2008; Al Mutairi and Al Mutairi, 2013). Some of the factors that stimulate the entrepreneurial spirit are to be found in culture, education, social structure or innovation, but there are many others.
Entrepreneurship, in general, and the entrepreneurial spirit, in particular, are positively related to innovation and interact in multiple ways in order to help business organizations to develop and flourish. They should be considered as ongoing, everyday practice within enterprises (Zhao, 2005; Global Entrepreneurship Monitor, 2017). Consequently, more and more entrepreneurs are interested in becoming innovators as innovation leads to obtaining better business performances (e.g., cost reduction, quality enhancement).
The paper aims to emphasize the way the entrepreneurial spirit is nurtured by innovation in a highly competitive global business environment. In this respect, the British self-made billionaire and one of the best-known living inventor, James Dyson, constitutes a valuable example. The methodology is based on the use of a quantitative research method.

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The paper is structured as follows: the next section deals with literature review. Thereafter, the case of James Dyson is presented. The paper ends with conclusions.

2. LITERATURE REVIEW

The paper aims to present the role that entrepreneurship and innovation play in the contemporary global economy. It is important to make the difference between innovation as a process and innovation as a result of such process. At the level of a system, innovation should consider both product improvement, as well as process improvement, but also the optimization of marketing methods. Thus, we can talk about organizational innovation that aims at optimising the company's business practices.

At business level, entrepreneurship represents the engine that creates contexts where innovation can improve business activity. The entrepreneurial spirit involves, first of all, the orientation towards opportunities, creativity, the use of feedback and, last but not least, teamwork skills. It is important to keep in mind the factors that influence the entrepreneurial environment because the entrepreneurial spirit may manifest itself within an environment that offers restrictions, but also conditions that enable and encourage its development.

The performance of a system is influenced by the following factors: financial, technological, political, social and of legislative and normative nature. During the evolution of a company, but also of an entrepreneur, we need to identify the relationship between small progress and spectacular leaps. Actually, these leaps imply radical changes that sometimes may also contribute to changing the mindset of both manufacturers and consumers.

From the perspective of great innovations, we can define creativity as a relationship between action and reaction. The ability to create problems in order to find solutions is more important in certain situations than the ability to find solutions to existing problems.

Problem and failure represent indispensable components of the activity of an innovator who has the mental capacity to remove obstacles. The process of debating and criticism are elements which catalyze discussions about creativity. Differences of opinion may create the conditions for the emergence of an innovative idea. One must not neglect the creative power of the error that may place the entrepreneur in a context other than the one he had in mind and that creates another vision regarding the original purpose. In the innovative process, the creator must act as a liaison agent that can create relations between different contexts, different events, because of his ability to correlate and potentiate. The question is how important is the individual who has an original idea in relation to the individual who can assemble more ideas into an architecture that can lead to unexpected results.

In the work of the innovator even repetitive processes may lead to observations that facilitate creative leaps. It is obvious that progress is not usually spectacular, but it is done with a lot of patience and in a systematic way. In a creation, as a whole, inspiration represents the ability to connect disparate ideas. Therefore, a disciplined concentration is needed to get results.

For true innovators, the financial crisis of 2008 offered the opportunity to penetrate a market that had been abandoned by many investors but also by many entrepreneurs. Significant in this respect is the following quote:

"The question of how the financial crisis influences the companies to invest in innovation or vice versa still induces discussion. On the one hand, some suggest that economic cycles are the consequence of innovation. On the other hand, others argue that innovative activities and innovative organizations are reshaped by economic crises. Regardless of the debate, the 2008 financial crisis has negatively influenced the short-term willingness of companies to invest in innovation." (Mir et al., 2016)

Visionaries can anticipate demographic dynamics, but also the evolution possibilities of technology. Exploring the unknown and exploiting favourable contexts enhance the work of innovators:

"Exploration is risky and the returns are distant and diffuse, but too much exploitation may produce convergent ideas and increasingly incremental extensions of prior innovations. The degree to which a tension exists between exploration and exploitation is linked to the resource commitment each requires" (Gupta et al., 2006).

Great creators have the special quality of combining knowledge, creative thinking and motivation. As can be seen in the diagram below, creativity represents the product of three types of components (Fig. 1):

- Knowledge. An individual's ability to analyze and which it can be exercised as a creative effort.
- Creative thinking. In reference to the way in which individuals are addressing a problem, depending on their personality and way of thinking or working.
- Motivation. Motivation is generally accepted as a key element in producing creativity. The most important motivators are represented by the intrinsic passion and interest for the process itself.

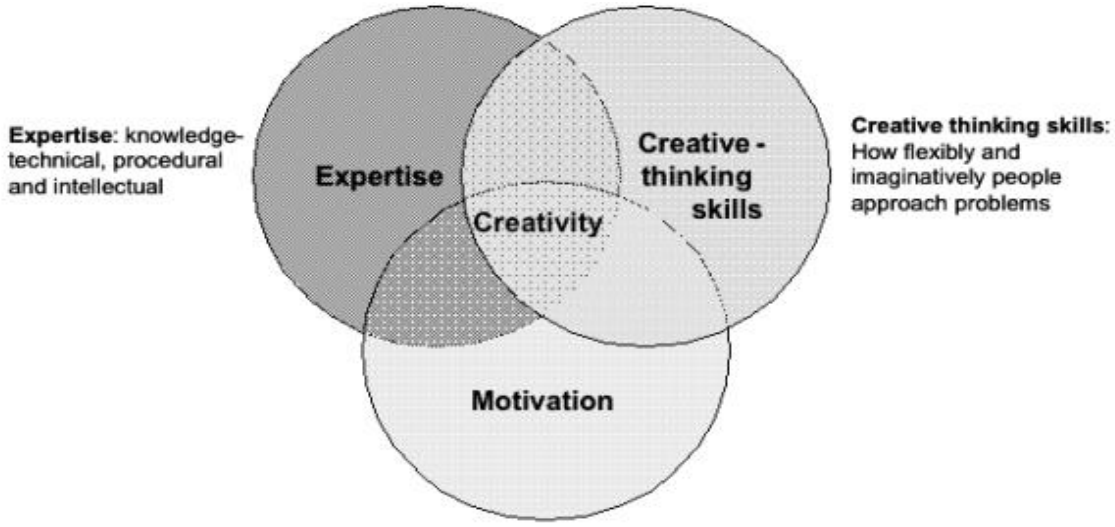

Figure 1. The three components of creativity
Source: Adams (2005, p.5)

The innovation cycle imposes rigor, but also creativity, going through many situations where uncertainties, frustrations, conflicts and disillusionment occur. The great capacity of the context creator is that he can overcome such obstacles with the vision of further developments. In developing such a project, we must take into consideration the great quality of the one who leads the project to motivate people in the team, but also to motivate oneself. Accepting some ideas which appear to have no future but which hide a huge potential represents a great quality of the innovator. The innovation cycle goes through several stages (Trott, 1998): "the attraction for creative people, the organizational encouragement of creativity and innovation, the development of innovative products, the willingness within the organization to accept new ideas, the motivation of the people inside, the organization's concern for reducing employees' frustration, the process of identifying motivational components to facilitate the growth of the morale of creative people."

3. ENTREPRENEURIAL SPIRIT AND INNOVATION: THE CASE OF JAMES DYSON

The entrepreneur's adaptability and flexibility facilitates the creation of the necessary conditions for innovation. In this regard, James Dyson's experience is eloquent.

Dyson's personality and his experiences in the field of innovation show us the great importance of the creator's power of observation. The power of observation leads us by linking events to

revelations. Thus, inspiration becomes the leap from a simple idea to a result with spectacular implications in the economic field.

One may ask which are the elements in the life of an individual that determines the entrepreneurial spirit, the way in which he learns to be a leader, what is the meaning of the first experiences of life, what is the role of education and the importance of the genetic legacy. James Dyson's entrepreneurial development analysis demonstrates that business success requires skills that are acquired, and the family plays an important role in this evolution. In this regard, Dyson's family life characterized by great stability is illustrative. The evolution of a creator takes into account the historical period in which he was born and evolved, the family to whom he belongs to and the studies he accomplished. Dyson's was born in the post-war period (1947) that was characterized by many unknown elements, but also by rebirth hopes. His entrepreneurial spirit develops due to his appetite for other activities as well, activities that strengthens his character such as his concern for sports activities that require rigor and organization: "I was quite good at it, not because I was physically good, but because I had more determination. I learnt determination from it." (Clark, 2016)

The analysis of the contexts in which great discoveries emerged shows us that the work of the teams that contributed to their emergence required a permanent combination of innovation and discipline. Dyson's findings on the learning process are self-evident: "We live in a world of experts. There is nothing wrong with this. The skills we have developed are essential to all of us. But, when we are facing new issues in business or technology, we need the current experience. We do not want to know how to apply the rules; we want to break them. And we can do this by making mistakes and by learning from them." (Syed, 2015)

From Dyson's point of view, it is very important that during the training period of individuals, they are put in the situation not only to answer questions, but also to ask questions: "The problem with the academic environment is that it requires you to be good at remembering things, such as chemical formulas and theories, because you have to remember them. Children are not allowed to learn from experimentation and experience. And it is a great shame as they need to learn from both." (Syed, 2015)

Dyson's conclusion regarding the synergy that exists between practical knowledge and theoretical knowledge is very important. The passion for the creative process and the ability to test new ideas allows him to live with the feeling that he is still at the beginning.

Dyson's entrepreneurial spirit is related to his ability to cope with failure by reacting when errors occur, accepting his own mistakes. In such a situation, it is very important to establish correctly the relationship between our own errors and the errors of others because we are often tempted to blame others of our own failures. Innovators have the great quality of making investments in innovation at the right time and of taking advantage even of financial crisis situations when most companies are discouraged from investing. On the one hand, there is an appetite for risk, and, on the other hand, there is intuition. Courage does not mean being reckless, but rather the limit to which the entrepreneur can go with the initiative. This may include involvement in the life of society. Dyson has the courage to express his opinion, including in reference to the problems of society:

"Dyson was one of the most prominent UK business leaders to publicly support Brexit before the referendum in June 2016." (Ruddick, 2016)

Successful entrepreneurs have the ability to intuit, but also the courage to take risks. In 2017, Dyson spends seven million pounds a week on researching and developing new products.

The great quality of innovators like Dyson is the fact that they make the difference between exploring the environment at risk and exploiting contexts that can offer the chance of launching some innovative products. Thus, the quality of innovators to create new products for new markets is given by preparing them early and by educating potential customers for the products they will launch.

Through his innovative work, Dyson has demonstrated his ongoing concern to find solutions that include environmental conservation as well (e.g., the idea he had for the first vacuum cleaner

without a bag). Dyson appliances exported to more than 65 countries have demonstrated how important is the individual, his idea, but also the importance of the quality of technology used. Thus, a worldwide research network of over 1,000 engineers and scientists was created. The concern for research, design and development has represented for Dyson and his team of engineers a set of rules for designing the future: "Green innovation refers to innovation in technologies, products, services, organizational structures or management modes adopted by enterprises to achieve sustainable development" (Rennings, 2000)

By taking into consideration of the elements of the innovation cycle, the "world" that Dyson created focuses primarily on the invention and improvement. He is preoccupied to be permanently in the creative areas of the avant-garde products. In September 2017, Dyson announced plans to produce an electric vehicle, aiming to be launched in 2020, investing £2bn of his own money. He has assembled a team of more than 400 people for the project while still seeking more recruits.

It can be pointed out that Dyson is actually designing the future, and this is the reason why we founded the James Dyson Foundation, which is a charitable organization, enabling students and teachers to access educational programs and teaching materials.

In his capacity of entrepreneur and manager, Dyson has used the potential of networks to successfully develop his business. In this respect, both the networks of engineers and researchers, and the James Dyson Foundation are illustrative. Thus, the virtual environment becomes an extension of reality, and laboratory simulations forecast future products. Without any doubt "as an entrepreneur or professional manager, networking is one of the most important skills you must develop for success at any level." (Renaud, 2014)

The entrepreneurial spirit and innovation impose also the qualities of a consultant, a catalyst of financial resources, so that the realization of products starting with the research phase and finalizing with their materialization on the market takes place in a time horizon that ensures the efficiency of the business: "If you're a consultant, coach of financial planner and you need to meet decision-makers in large organizations, networking at service clubs or non-profit organizations will probably be a better use of your time." (Renaud, 2014)

4. CONCLUSIONS

In the work of great entrepreneurs, the market has validated their ideas because the sustainability of a business should be proved on a long-term period. By analysing the results obtained by many entrepreneurs it can be emphasized the fact that the expectations management occupies a quite important place, demonstrating the relation between the promise and the compliance with the deadlines within the relationship with a client. Their mental preparation facilitates the overcoming of the difficulties of identifying and creating the conditions for launching sustainable businesses. Through education and construction, entrepreneurs are less willing to associate for business growth, rather wishing to be the owners of decisions. A particular obstacle within business development is represented by the fear that achievable products will not be materialized on the market in an acceptable time horizon. Dyson has had the courage to defeat all obstacles and achieve high performance products, often competing successfully with the Japanese and American companies (e.g., the Trolleyball, the design of the Wheelboat, vacuum cleaners using cyclonic separations, "360 Eye" robotic vacuum cleaner, ContraRotator washing machine, hand dryer, "Air multiplier").

The great innovators are concerned about creating an ethical business environment and reducing bureaucracy, and the freedom to act and the attitude of being independent results in the essential choices of great entrepreneurs. Innovation and entrepreneurship are key elements that create the conditions for developing a genuine business, but other elements (e.g., knowledge, learning, mentoring and access to additional funding sources) are also important in order to launch and develop businesses.

The paper emphasizes the importance of innovation in fostering the entrepreneurial spirit. The entrepreneurial spirit and innovation represent essential components of a sound business system that

includes other elements such as creativity, adaptability, stress resistance, mental mobility, ability to respond quickly to external stimulus, desire to risk, and, last but not least, inspiration.

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