

International • NEWS •

Adherex Technologies Inc., an Ottawa-based biotechnology company, announced that it has received investment financing from Fujisawa Investments for Entrepreneurship, L.P., a venture capital fund based in Osaka, Japan. Fujisawa is committed to helping provide innovative products that contribute to the health and welfare of people all over the world. Adherex's prime focus is to develop anticancer drugs. It will use the investment to assist in bringing a promising new treatment approach for cancer to clinical trials with human cancer patients.

In what ways might this investment have an impact in Canada?

Impact on the Community

Entrepreneurs can have a powerful impact on a local economy in terms of job creation, new ideas, and economic and political benefits.

JOB CREATION

Jo-Anne Schurman was able to employ 125 tradespeople to build the Loyalist Country Inn and 72 more people to operate it. When entrepreneurship creates jobs in the local community, it has a **multiplier effect**. Those who are employed by the business have money to buy goods and services. If these goods and services are provided in the local community, people will likely spend their money there and more jobs will be created. If the business grows and needs more employees, more people may move into the community, and more goods and services will be needed.

NEW IDEAS

Another benefit to the community is that entrepreneurship often generates new ways of doing things. It encourages the creation of a broader range of goods and services than would otherwise exist. Many of us now take innovations such as the Internet, cell phones, CDs, or microwave ovens for granted.

ECONOMIC BENEFITS

Through competition, entrepreneurs not only help lower prices, but also improve a society's standard of living. When more wealth is distributed throughout the society, everyone enjoys the benefits. The success of one new business venture can produce a variety of additional entrepreneurial and investment opportunities, which will in turn bring more wealth. For example, the successful introduction of the personal computer brought with it a number of opportunities, including software, hardware, training, repair services, computer magazines, journals, advertising, e-commerce, and more.

POLITICAL BENEFITS

A society that wants to encourage entrepreneurship needs to provide a supportive environment. Entrepreneurship is strong in countries where financial and legal institutions provide a strong

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foundation; where money for starting a new venture is easily accessible; where education and training are widely available; where laws and regulations do not deter new venture creation; and where free and open trade exists. It is strong where lobby groups (support groups) in government, business, and education are available to collaborate, advise, and encourage entrepreneurs.

Entrepreneurship and Demographics

Demographics is the study of the characteristics of people in a population. Entrepreneurs who study the demographics of their customers will be better able to predict what these people might want to buy.

Between the end of World War II and the early 1960s, there was a sharp increase in the number of babies born in Canada. These people, called “baby boomers,” represent an important market for entrepreneurs. It has been estimated that the boomers have the largest percentage of disposable income and earned wealth of all

Canadian age groups. As they grow older, they are choosing to spend their money on leisure lifestyles, on health care and related products, on services that make their lives easier, and on their families. Ventures that cater to the demands of the baby boomer population will create significant jobs in a community.

Immigration has also created a positive impact on local economies. Immigrant populations have their own ethnic and cultural interests that local entrepreneurs can support. Ventures such as an Asian food market in a predominantly Asian neighbourhood or an Italian bakery in an Italian neighbourhood are examples of businesses that meet cultural needs while supporting the local economy. These ventures often go from the local to the general community, thereby increasing sales even more.

As the baby boomers grow older, they spend more money on leisure activities.



YOUR TURN

1. What is the difference between “wants” and “needs”? How do these terms relate to “demand”? Do you think having a job is a need or a want? Explain.
2. Give examples of two trade agreements Canada has signed. How do countries benefit from trade agreements?
3. Work with a partner to create a short survey asking older people in your community about changes they have seen during their lifetime. Include questions about transportation, the business world, leisure activities, technology, cost of living, and housing. With your partner, interview one or two seniors using your survey. Then, work in teams of four to six to compare results.
 - a) What entrepreneurial ventures have had the greatest impact on their lives?
 - b) If you wanted to start an entrepreneurial venture that would serve people like those you interviewed, what would it be? Why?

Intrapreneurship

Intrapreneurship is entrepreneurship that occurs within an existing organization or corporation. More and more organizations are encouraging intrapreneurial activity in order to become more competitive, improve their productivity, or keep pace with changing markets, technology, and new opportunities.

These corporations use a variety of methods to stimulate intrapreneurship. Some have restructured their organizations into smaller, more innovative teams and then challenged each team to turn a particular idea into a new product, service, or process. Others are inviting customers to give them ideas about needed changes in a product or service. Still others are devising ways to reward innovation and recognize their intrapreneurs.

Organizations that are not intrapreneurial today are at a disadvantage. The fast pace of business means that organizations must respond to, and even anticipate, market demands or they will quickly lose their **market share**. With the increased availability of instant information and worldwide access to goods and services, consumers will be loyal only to local ventures that respond to their needs.

Cool Stuff

In the late 1960s, the Swiss watch industry was the leader in the world, with over 65% of market share and 80% of profits. By 1980, their share had dropped to less than 10%, with over 50 000 jobs lost. Why? Because the world changed. Swiss employees invented the quartz watch movement, but their companies did not see the value of it and did not patent it for protection. As a result, these inventors went to Japan where Seiko Corporation bought the rights. Seiko is now one of the largest watch manufacturers in the world.

Joel Barker, Future Edge: Discovering the New Paradigms of Success