



**KnowING IPR project  
Fostering Innovation in the Danube Region  
through Knowledge Engineering and IPR  
Management**

Digital entrepreneurship

*Reading material for KnowING IPR Summer School*

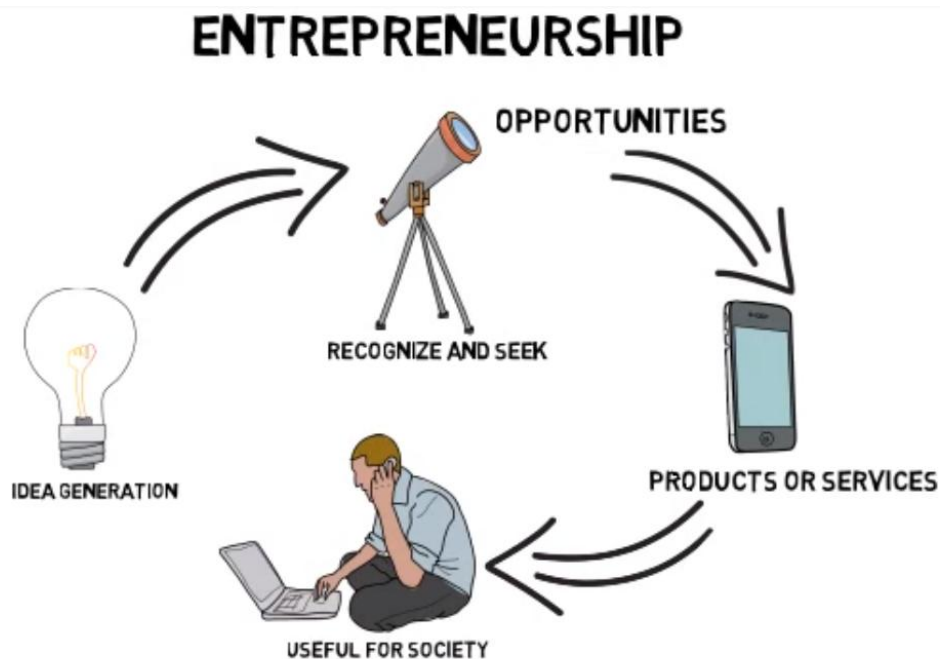
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## What is an Entrepreneur?

An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The process of setting up a business is known as entrepreneurship. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.



Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bringing good new ideas to market. Entrepreneurship that proves to be successful in taking on the risks of creating a startup is rewarded with profits, fame, and continued growth opportunities.

### KEY TAKEAWAYS

- A person who undertakes the risk of starting a new business venture is called an entrepreneur.
- An entrepreneur creates a firm to realize their idea, known as entrepreneurship, which aggregates capital and labor in order to produce goods or services for profit.
- Entrepreneurship is highly risky but also can be highly rewarding, as it serves to generate economic wealth, growth, and innovation.
- Ensuring funding is key for entrepreneurs: Financing resources include SBA loans and crowdfunding.
- The way entrepreneurs file and pay taxes will depend on how the business is set up in terms of structure.

## What is digital entrepreneurship?

Since the early 90s Internet has created new different possibilities of doing business all over the world. This has generated a new kind of entrepreneurs, focused on generate value by identifying and exploiting these emerging market opportunities: the digital entrepreneurs. Digital entrepreneurs are becoming more and more important for the economic growth of a country.

Digital entrepreneurship consists of creating a business on the Internet, selling services or products online, without the need to invest in physical spaces.

The main **characteristics** of a **digital company** are:

- Digital **marketing** activities.
- Digital **selling**.
- Digitization of **processes**.
- Digital nature of **goods** or **services**.



A few examples of digital businesses are online courses, e-commerce, blogs, YouTube channels, and technological solutions in general.

The main advantage of this business model is that you don't need to invest a lot of money in order to get started, in comparison to the offline market.

In addition, this format allows entrepreneurs to work from wherever and whenever they want to, having greater flexibility in their daily routine.

## What do you need to become a digital entrepreneur?

Initially, you'll only need a computer with internet access to get started. But in addition to the equipment, certain characteristics are essential for you to stand out from the competition.

### **Curiosity**

Curiosity is nothing more than the natural ability to ask questions and the desire to know more about a specific subject.

Have you ever noticed that when children start talking, they ask questions about everything? They just want to understand the world around them, and sometimes we, as adults, go into automatic mode, especially at work, and we forget to ask ourselves why we are performing certain tasks.

To become an online entrepreneur, first you'll need to cultivate your curiosity because it is only by researching a lot about the market and the behavior of consumers that you'll find gaps to operate in and offer a solution that truly adds value to people's lives.

### **Willingness to learn**

In other words, if you are very curious but don't like to learn, digital entrepreneurship is not for you. As with everything else in life, it's necessary to find the balance between learning more and using this knowledge to implement change.

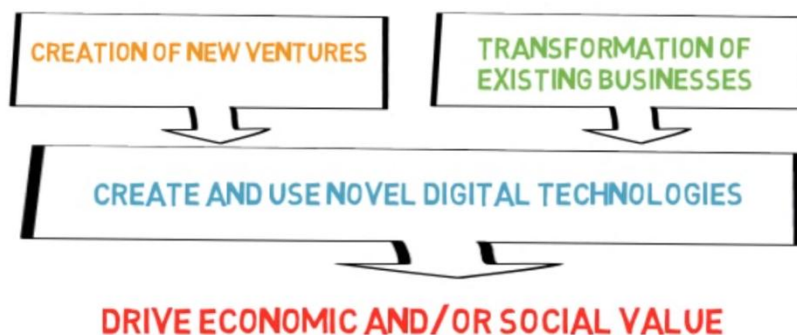
To get started, read at least one hour of news about your market daily. Over time, you will feel the need to specialize in a theme that impacts your business the most.

### **Desire to help and serve people**

Entrepreneurship is much more associated with identifying problems and opportunities to improve an idea that causes positive impact than being innovative and creating something that no one has ever seen before.

Think of an app such as Uber, for example. There's nothing innovative about a taxi, right?

## **WHAT IS DIGITAL ENTREPRENEURSHIP ?**



But if you're familiar with the subject, you know that their services are not only about taking people somewhere by car; it's about offering a more accessible and practical transportation option.

Another story is the Zappos shoes web store. Just imagine that when buying shoes online wasn't available on the market. Founder of Zappos didn't know for sure that people would buy shoes without trying them on in person in order to see which size is suitable to them. To start the business first he set up a shoe store online, but he didn't have any shoes in stock. After receiving an order, he went to the local store to buy the shoes and then sent them by post. Easy way to validate a digital solution, right?



These are simple solutions that had a major positive impact. From now on, that's where you should focus your efforts.

## **The benefits of digital entrepreneurship**

The main advantage is that you can manage your business from anywhere in the world, provided that you have access to the internet. With this kind of mobility, other advantages arise, such as:

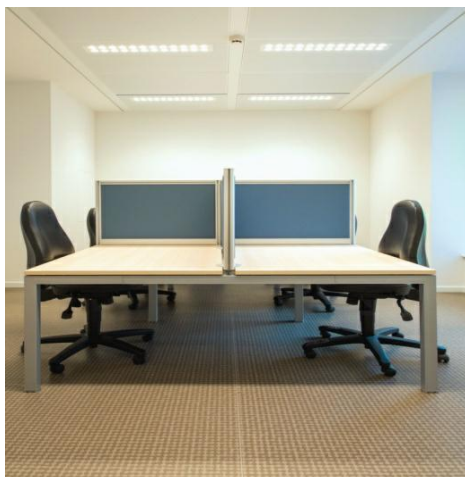
### *Spending more time with your family*

Digital entrepreneurship will certainly provide you with more freedom to adjust your schedules and spend more time with your family.

### *Flexible hours*

Working hard doesn't mean working all day long because no one is productive all the time. When you are a digital entrepreneur, you define your schedule, work during the hours when you are more efficient, and even postpone an appointment because of an unforeseen event, which is much more difficult when you work from 8:00 am to 6:00 pm.

### *Cost savings*



If you only need a computer with internet access to get started, you will save a lot by not having to lease a space for your company and all the expenses with utilities, etc. Of course, the amount spent will vary according to your business model, but it is certainly cheaper to start an online business than to have a physical establishment.

## Reaching more people

In a physical business, you would have your operations limited by geographic barriers, but as a digital entrepreneur with a well-defined marketing strategy, you can reach out to various parts of the country and get more people to learn about your product.

## Scalability

Scaling a business means increasing the volume of production and sales without increasing investments and the fixed cost for the same proportion. This will depend on your business model, but it is undeniable that it is “easier” to scale an online venture than a physical store.

Thinking about an everyday example: Online courses, as you probably already know, are educational materials produced to be consumed online. After you have developed your material and made it available online, anyone who pays for it will be able to access it without you having to record the lessons again. This type of product will never be out of stock unless you decide to delete it. It’s very different from teaching in a classroom, in which you would have to be where the students are and be restricted to where you live. With this example, it is easier to understand the concept of scaling, right?

## Digital business reduces ecological footprint

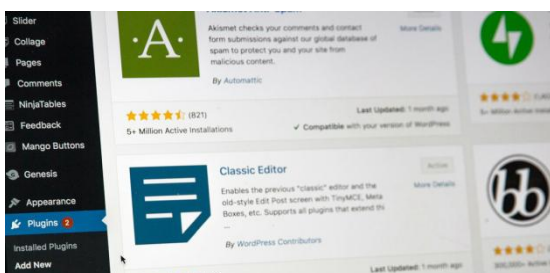
How your online business can reduce its ecological footprint today?

The process of going green can involve a slew of initiatives, from shifting from paper to digital and bookmarking regularly used websites to avoid repeated internet searches, to utilising wind power and reused groundwater to cool servers. But more can be done to reduce your business’s digital footprint.



Here are a few examples of how you can play your part:

### Website optimisation



You can start decluttering and streamlining your website’s digital assets by removing all unnecessary plug-ins and bulky integrations to reduce load speed and bandwidth usage. You can also resize all large images and videos to the necessary proportions. Using AMPs (accelerated mobile pages) to strip down your



web page to display only essential content also helps reduce carbon emissions by being less demanding on bandwidth.

## Server optimisation

The move away from traditional server infrastructure (shared or dedicated) to cloud-based servers has already kick-started the drive toward digital sustainability for many businesses around the world. Traditional servers consume a lot of energy and demand high operational and maintenance costs, and cloud servers are far more energy-efficient and more affordable, in that you only pay for services you need.

## Network optimisation

In order to reduce the amount of latency and bandwidth clogging, businesses can decide to place their servers closer in proximity to their users: the closer the server/shorter the distance data needs to travel, the less energy and emissions required.

All in all an online business is more environment friendly compare to a physical business. If there is a way you can issue electronic invoices and documents to be paper free. We can also mention that there is no need to rent an office therefore heating or cooling won't be necessary at all. On the other hand due to lack of travel there is no CO<sub>2</sub> footprint.

## Digital tools

As a digital entrepreneur there are several online tools that you can use to boost and facilitates the processes of your company, such as:

**Wix.com** is a leading cloud-based development platform with millions of users worldwide. Wix offers an excellent drag-and-drop site builder for creating small websites.

**MailChimp** also is another great tool to build your email list, and it also allows for marketing automation. Due to its powerful features, hundreds of reputed companies are using this platform.

**G Suite** combines Gmail, Google Docs, Google Spreadsheets, Google Calendar, and Google Drive so that you can use all these helpful tools from one place to conduct your business and company works.



**Google Drive/Google Docs** is a cloud-based system for file storage. It allows you to work on so many files live at once, which means that your team members can coordinate easily using this tool.

**Canva** is another help for businesses that need design solutions. They can share your graphic design ideas on social media. The tool gives you many templates, fonts, styles, and background images to create designs.



**Fiverr** is an ideal choice when your small company is looking for skilled people to work on your project at a meager price. At this site, you can have professionals working for you as freelancers at a price that starts at only \$5 per gig. So, your startup can have a logo design and other marketing materials at meager prices at this site.

**Shopify** lets you build your company's online store. This e-commerce service provider also allows you to integrate the store with your website and helps in your management of inventory, order, and payment processing.

**Instapage** is one of the great landing page based business tools that comes with hundreds of templates for your industry to create your landing page from scratch. You get not only design customization and advanced analytics dashboards but also good customer support.

**Trello** is one of the most popular business tools when it comes to organizing your projects. You can display those projects as boards so that they are accessible in one glance. This way, you can prioritize and organize your business projects in a flexible manner.

**Evernote** is your ideal choice for keeping your notes safe and always with you on mobile and desktop devices. You can also link your notes and add audio recordings, tables, checklists, etc.

**Google Analytics** helps you track your web traffic and gives you an analysis of it. Surely, it is one of the most used tools for having insight about your visitors on your website and helps in improving your business strategies.

**Slack** is one of the collaboration cloud-based business tools that your business can use for internal communication among your team members and employees. It helps in bringing all your communication at one shared workplace. This is a great way to organize your conversations.

## **Digital entrepreneurship: Moving into action**

No matter how much you prepare, there will always be knowledge that you only obtain by doing. This topic shows you a few points that concern all entrepreneurs, regardless of the type of activity you choose to pursue.

### **1. Create a financial plan**

Having an online business is a lot cheaper than having a physical store, but that doesn't mean that you won't need to save money beforehand.

Consider that you are leaving the traditional job market and labor benefits to invest in an idea that you're not sure will work out yet.

So if you don't have any money saved or an investor to invest in your idea, we suggest you pay more attention to the management of your money from now on. Ideally, you should save the amount necessary for your fixed expenses for at least a year.

## 2. Identify your strengths

To be a digital entrepreneur, you need to identify your strengths and weaknesses. To do so, there is a very good tool known as SWOT (strengths, weaknesses, opportunities, and threats). It is a simple template that you can outline by hand or on the computer.



To create one, draw a table divided into four parts, with two rows and two columns. In the first column, list the aspects that will have a positive impact, and in the second, those that may hinder the development of your new business.

As hard as it may seem, this is a very important exercise, as it helps you better visualize where you fit into the market and how you should position yourself to be different from your competition.

## 3. Choose your niche and the type of product you will offer

Niches are segments with specific characteristics and needs within a broader market of operation. For example: Products for curly hair are a niche of hair products, which are part of the cosmetics market, which is part of the beauty market.

Firstly list your skills and talents to find the ideal niche for you. Choose something that you enjoy doing and preferably something that you already have some knowledge. In this manner, the process of creating the enterprise isn't only more intuitive, but is more enjoyable.

Stay tuned to the trends. To enterprise online, it is important to identify themes that aren't seasonal, so you ensure that you'll have a demand for your product or service all year round. You can also visit websites and blogs targeted to your market and check which subjects are most recurring or engage visitors more.

## 4. Analyze the market and your competitors

Knowing your competition well is the best way to gain a competitive edge over them and offer truly unique products.

First, you have to ask the right questions. This is possible by setting well-defined business goals in the first few months.

For example: Those who wish to work in the fitness niche will find that there are several websites on the subject, with very different proposals: focused on exercises, clothing, and equipment or food.

If entrepreneurs decide to evaluate all these sites, they will invest a lot of time and effort to compete with companies that often don't even relate to your target audience. Therefore, focus on sites and channels that are relevant to the audience you are targeting.

After filtering your top competitors, note the kind of content these pages share and how they communicate with their consumers on social media. It's worth remembering that this process of analyzing competitors is merely to identify best practices, not to copy what others are doing.

## 5. Get your own domain

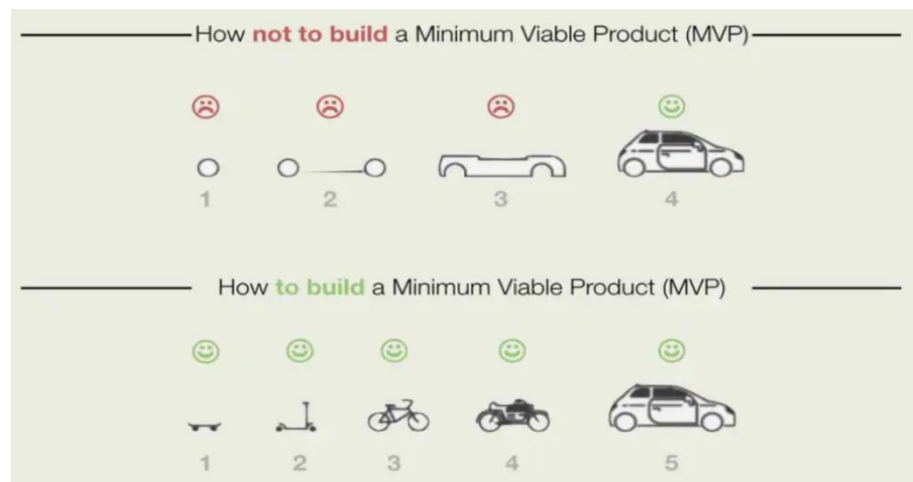
To get started, you'll need to purchase a domain for your web page. This step is very important both for those who want to create a virtual store and for those entrepreneurs who will produce content.

Before acquiring the rights to a domain, you need to choose a name that synthesizes your business idea. This name should be short and easy to write, so users can easily find your page or recommend it to friends.

## 6. Create a prototype of your idea

Before you launch your product or service in the market, you need to confirm whether your business idea is truly viable.

You need to create an MVP (Minimum Viable Product), which is basically a simpler version of your website, product, or service, with the minimum features required to operate. Beta versions of applications are examples of MVPs.



In order to validate your MVP, promote surveys and ask for help from a market expert. Based on the feedback received, you'll be able to make the necessary improvements and launch a product that is more in line with market demands, i.e., your chances of success will be greater.

## 7. Promote your business

A good promotion strategy is supported by three key aspects:

- The consumer's profile
- Useful content
- Communication channels

You need to find the right audience for your business and deliver useful content to them when they need it. Moreover, in order to want to pay for it, these people need to see value in the product or service you're offering.



From the moment you create a profile on Facebook, Instagram, LinkedIn, Twitter or YouTube, make sure you produce specific content for these channels, taking into account the format required by each network and how people consume the content, so that your communication doesn't become irrelevant.

On Instagram, for example, no one wants to read long texts. People are looking for attractive images and short, objective videos. On LinkedIn and other business-oriented networks, a technical and complete text might be more valuable.

Ads are the fastest way to impact your potential buyers, but they will only have an effect if you target your audience correctly, and create attractive content that is the combination of an objective text with a good image or design. Several networks can be used to advertise and increase your business' visibility, such as Google, Facebook and LinkedIn.

## **An inspiring story**

### **Prezi**

Prezi is an online presentation tool that can be used as an alternative to traditional slide making programs such as PowerPoint. Instead of slides, Prezi makes use of one large canvas that allows you to pan and zoom to various parts of the canvas and emphasize the ideas presented there. Prezi supports the use of text, images, and videos and also provides a collection of templates to choose from to help new users get accustomed to the interface. Prezi offers educational licenses for students and teachers. This allows students and teachers to create private presentations online that cannot be access by the public.

Adam Somlai-Fischer the co-founder of Prezi never wanted to start a business. He was an architect and media artist participating in several successful projects. As he had more and more success, he was invited to speak more often at various conferences about the projects he was involved in. On these occasions, he started to use a presentation tool, which he wrote for himself. It was a zoomable user interface (ZUI) which enabled him to explore the "big picture" overview of his ideas, and then zoom into the details of individual projects. Since no commercially-available online zooming presentation editor existed, he started hand coding a ZUI for each presentation he gave. It was Prezi which, currently has a post-money valuation in the range of \$100M to \$500M according to PrivCo.

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