The innovation journey of new-to-tourism entrepreneurs

resources thinking creative Entrepreneurship behavior transformation innovation entrepreneurial opportunity ideas Knowledge ventures opportunity ideas creativity implementation connect business new skills reality technology Heroic New invention

23rd Nordic Symposium on Tourism and Hospitality Research Copenhagen Business School (1-4 October 2014)

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Research under the framework of the project (2012-2014):

"Methodology, criteria and implementation of the cluster theory in consolidated tourism areas: innovation, competitiveness and territorial synergies".

Founded by the Spanish National R&D&I Plan 2008-2011. Main researcher: Professor Fernando Vera Rebollo, University of Alicante.

Research Initiated with Professor Allan M. Williams from Surrey University, United Kingdom.







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- **3** Preliminary findings
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1 Research objectives

- 1 Explore the role of entrepreneurs as innovators in tourism
 - >> The nature of the innovative entrepreneur. Entrepreneurs provide the essential link between invention and innovation (Burgelman & Sayles, 1986 in Hall & Williams, 2008).
 - >> The **entrepreneurial process** of those individuals who discover and exploit new business opportunities by **establishing new companies**.

- 1 Research objectives (cont.)
- 2 Examine the characteristics of tourism entrepreneurs
 - >> What motivates them to invest in tourism? What knowledge and experience do they bring?
- 3 Understand the innovation process through the entrepreneurs' journey initiated from idea generation to effective implementation
 - >> Barriers encountered, how these are overcome



2 Methodology

1The sample

>> Young entrepreneurs with innovative tourism projects participating during 2012 and 2013 in a public Programme (Emprendetur) which provides subsidized loans in Spain.

2The Emprendetur Programme

- >> Young entrepreneurs, the collective with the greatest potential to introduce innovation in the tourism sector.
- >> Funding to business ideas developed by entrepreneurs under 40 years-old or companies with less than 2 years trajectory with an average age of the partners equal or under 40.

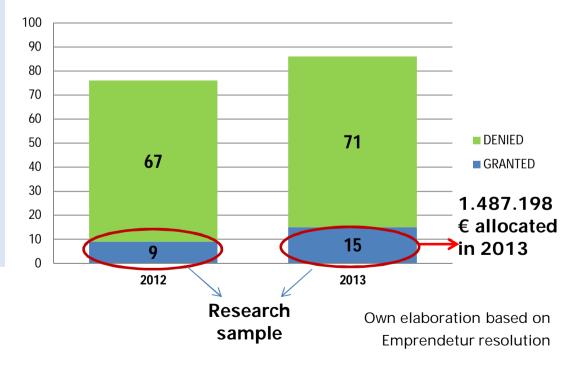


- 2 Methodology (cont.)
- 2The Emprendetur Programme (cont.)

Loan characteristics

3,74 interest
Up to 100% with a maximum amount of 1.000.000€
2-year interest-only period 5-year repayment No loan guarantee required

Fig. 1 Projects denied and granted by EMPRENDETUR Young Entrepreneurs





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- 2 Methodology (cont.)
- 3 2-Step Methodology

Preliminary Step >> Entrepreneurs and new ventures identification from public announcement of accepted proposals. Data based elaboration.

First Step >> Creation of entrepreneurs' (founders and co-founders) professional and educational profile using their own public information on LinkedIn.

Linked in



Jaume Mayor i Agell

CEO y fundador en WeSmartPark

Barcelona y alrededores, España | Ingeniería industrial o mecánica

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Resumen de Jaume Mayor i Agell

Actual CEO y fundador en WeSmartPark (by 9SMART)

Anterior CTO y fundador en 3J3D INGENIERIA DE DETALLE, S.L.

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METÁLICAS S.A.

Herrero oficial de 2º en TALLER ESTRUCTURA METÁLICA VILASSAR

Educación ESADE Business School

Universitat Politècnica de Catalunya



2 Methodology (cont.)

First Step >>

The entrepreneurial **personality**

The influence of **learning**.
Entrepreneurial attributes
acquired by education
Entrepreneurship can be learn
and be taught

Career progression. Previous work experience connection with new entrepreneurial venture Previous entrepreneurial experience Entrepreneurial team networks

ENTREPRENEURIAL FIELD OF POSITION **EDUCATION** PREVIOUS WORK EXPERIENCE NAME/AGE PERSONALITY, SKILLS AND KNOWLEDGE CAPABILITES Tourism/ E-commerce/ 2002-2003 International Leisure/ Management/ Master in Tourism and May 2013-present Founder and Revenue Analysis/ CEO (Exoticca) leisure - ESADE Business Hotels/ Online School Marketing/Marketing Leadership, proactivity, 1998-2001 Diploma in Strategy/ Hospitality/ emotional intelligence, Business and Tourism Tour Operators/ Online 2011-2013 Tour Operation Jesús multicultural mind, creativity Founder and CEO at Activities - ESERP Advertising/ Business Responsible (Privalia Travel*) Rodriguez and innovation, negotiation Barcelona Strategy/ SEM/ Pricing/ Exoticca skills, flexibility and results Fernandez 1992-1995 Diploma in On the Travel/ Web 2.0/ 2011-2011 Tour Operation orientation. Passionate about Special Teaching - Leon Google Analytics Manager (Voyage Prive**) travel and people development University Digital Marketing/ PPC/ Internet Entrepreneur/ 2007-2011 Assistant General Google Adwords/ SEO/ Manager (Karisma Tours) 2004-2007 Front Office Manager Airlines/ Email Marketing/ Affiliate 2000 2000 M-----

Complementary skills and knowledge of the entrepreneurial team

The value of learning from others



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2 Methodology (cont.)

Second Step >> Semi-structure interviews conducted through Skype July-September 2014. during Response of entrepreneurs representing 16 new companies.









Why becoming entrepreneurs Motivation to invest in tourism

Stages in the innovation journey addressed by research questions

Stage 1 Idea space







Stage 3 Present/Future of the innovation once in the market

- Origins of novel idea Key individuals involved
- Degree of newness
- Key moments in idea transformation into commercial opportunity
- **Solutions**
- Current innovation acceptance
- Possible readjustments
- **Future innovations**

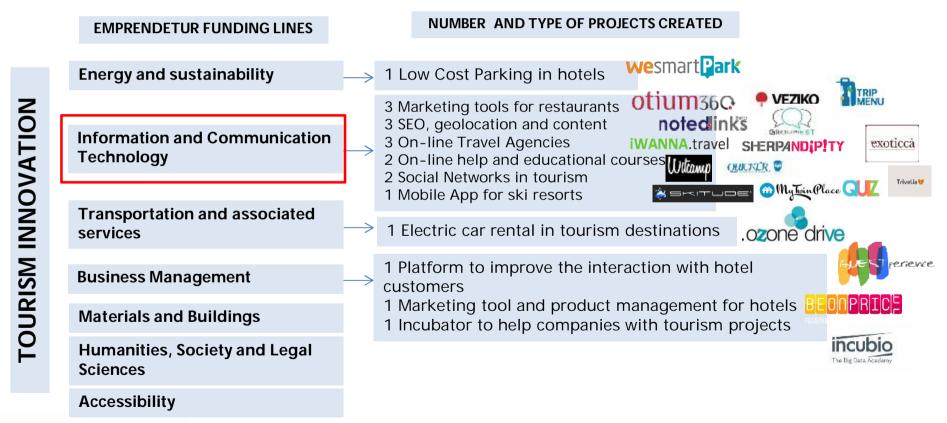
Etc.



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3 Preliminary findings

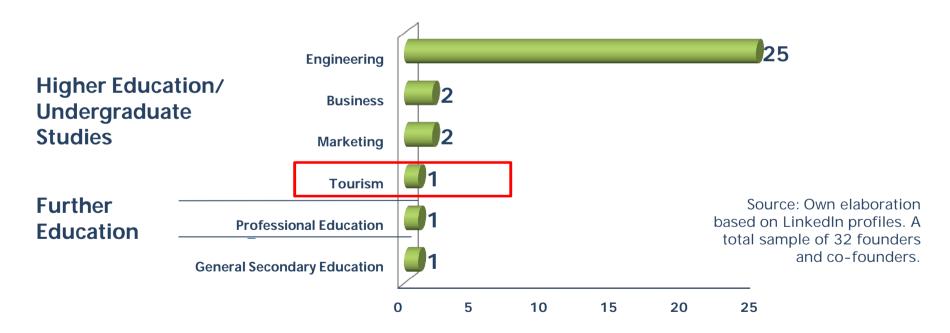
1 Type of projects developed by the innovative entrepreneurs





- 3 Preliminary finding (cont.)
- 2 Distinctive knowledge and experience of these "New-to-tourism" entrepreneurs

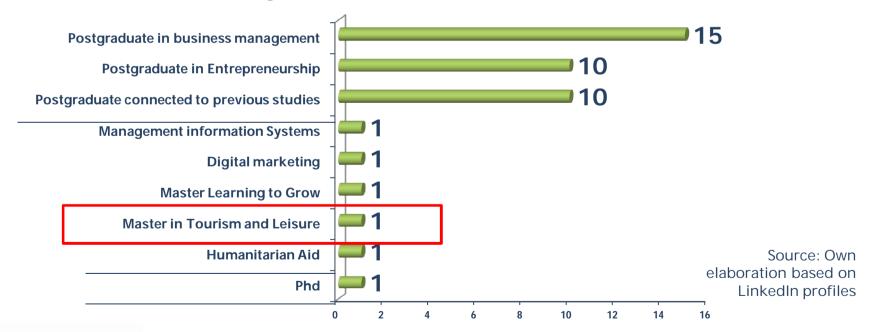
Fig. 2 Entrepreneurs Educational Background





- 3 Preliminary finding (cont.)
- 2 Distinctive knowledge and experience of these "New-to-tourism" entrepreneurs

Fig. 3 Entrepreneurs Educational Background. Higher education. Postgraduate studies





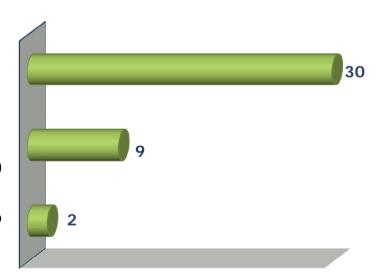
- 3 Preliminary finding (cont.)
- 2 Distinctive knowledge and experience of these "New-to-tourism" entrepreneurs (cont.)

Fig. 4 Relation of previous Professional experience with new company

Previous non-tourism work experience related to the new company

Previous entrepreneurial experience (other ventures initiated outside the tourism sector)

Previous tourism work experience related to the new company



Source: Own elaboration based on LinkedIn profiles



- 3 Preliminary finding (cont.)
- 3 Heterogeneity of motivations to become entrepreneurs

Person - situation

- Personal/professional convergence with colleagues with the same motivation
- Dissatisfaction with current job
- By chance, unexpectedly
- Others

Entrepreneurial personality

Skills & Competences

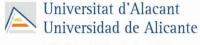
Professional experience

Education

- Previous experience in technological projects development
- Previous entrepreneurial experience, etc.
- Studying abroad in USA: influence of its entrepreneurial culture
- Stimulus of postgraduate studies

Personal traits/ behaviors

- Influence of family background
- Motivation for learning things
- Stimulating experience (dynamic, complex world, allows innovation)
- Take control of own life, decide own direction, freedom
- Entrepreneurs by nature, embedded in DNA, Etc.



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- 3 Preliminary finding (cont.)
- 4 What made tourism an interesting sector to invest

1 2 3

Economic relevance of laggard sector with plenty of opportunities of specially laggard sub-

Niche-opportunities of specially laggard subsectors in technology adoption (restaurants, ski resorts...).

5 Where the idea came from and key individuals

Need/problem detected

As a tourism consumer
 Due to professional experience
 Co-production with people from the sector (potential customers, partners, other contacts)
 While coursing a business postgraduate

Entrepreneurial team VS entrepreneurial hero

Professionals with complementary

- Professionals with complementary knowledge
- Postgraduate students with academic aim
- 3 Previous university friends



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- 3 Preliminary finding (cont.)
- 6 Critical moments in moving from idea to effective implementation
 - 1 Idea validated by the potential customers' interest
 - 2 First customers acquire the product
 - 3 Investors funding
 - Public resources allocation (credit)
- 7 Degree of newness of the innovation
 - 1 Existing product/service but considerably improved
 - New-to-tourism sector
 - 3 New in a tourism sub-sector (leisure, restaurants)
 - 4 Something totally new

Incremental innovation

Radical innovation



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- 3 Preliminary finding (cont.)
- 8 Problems and solutions while implementation

	Problems faced	Solutions to minimise/overcome them
	1 Lack of financial resources	-Bootstrapping -Business model to minimize structure costs (Business Model Canvas) - Apply for public credit
Problems with technological developments		Customer involvement in project reformulationTrial and error
	3 Barriers of late-adopter subsectors to invest in echnological innovations	 Free product distribution Product adaptation to easy-to-use formats and educate the sector Selling the product as non-innovative
lni	4 tial testing in the market reveals inefficiencies	 Model pivoting until satisfactory option: lean startup philosophy Customer involvement in project reformulation Deep project restructuring



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- 3 Preliminary finding (cont.)
- 9 The future of the innovation

Constant improvement of current innovation according to market needs and demands

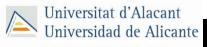
Add new services to improve the marketing capacity of the product (gamification, crossselling, etc.)

Adaptation to future new technologies (Wearable technologies, Google glasses, etc.)

Innovation Diffusion

Expand the product to other tourism subsectors or markets

Strategic alliances
with relevant
leading companies
(tourism and nontourism) and
National/ Regional
professional tourism
associations.



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4 Conclusions

Critical factors to survive the journey

Government funding and support

Private investors

Starts up incubators/ accelerators



Entrepreneurial

academic institutions

-Check a real need existence

-Product development only when validated by the market (Minimum Viable Product)

- Costumer involvement in projects (co-production)

-Strategic alliances with leading tourism companies

Factors with a positive influence



Ecosystem of entrepreneurial support







Experience / Age

 Ability to convince others of opportunity value

Quick response to project inadequacies

Flexibility to pivot and adaptability

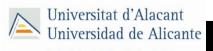
Resilience

Factors with a negative influence



Resource scarcity Lack of time **Entry barriers**





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Thank you very much for your attention! isabel.rodriguez@ua.es

