

The Role of Creativity and Innovation in Business Growth and Sustainability: An Ideal Model

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Abstract

The Role of Creativity and Innovation on business growth and sustainability the study set out to accomplish the following objective which was to determine the role of creativity and innovation in entrepreneurial activity, business growth and sustainability. The study relied on current secondary data sourced from books, internet, journals unpublished materials. The study examined the contributions of successful global business entrepreneurs and industrial Revolution. The study made the following findings which were: that (1) Entrepreneurs set for themselves high apparently unachievable challenges. (2) Governments of market economies orient their policies and programmes towards fostering entrepreneurship. William-the-conqueror who developed the British common law legal system Based in these findings the following recommendations were made that (1) Entrepreneurs continue to technologically modernized the globe. (2) Establishment of a global sovereign authority for strict observance of the rule of law.

Keywords Change; Creativity; Innovation technology; Entrepreneurs; Government; Environment; Business; Growth; Sustainability.

Introduction

Business can be defined as a process that converts an outside resource, namely knowledge, into outside results, namely economic values [1]. This business is an enterprise which comprises a community of human beings. This human community must be founded on common beliefs, must symbolize its cohesion in common principles. Otherwise, it becomes paralysed unable to act, unable to demand and to obtain effort and performance from its members. These human beings are people in a defined place and location with material endowment and context. The productive process of the materials established the modern industrial enterprise to which an industrial system must entrust its resources-both human and material. This production process is an essential role of management. Management expresses basic beliefs of modern western society thus: it expresses the belief in the possibility of controlling man's livelihood through systematic organization of economic resources. It expresses the belief that economic change can be made into the most powerful engine for human betterment and social justice. This belief that the material can and should be used to advance the human spirit is... something new, distinctly modern and distinctly western [2].

These special businesses that practically manifest the role of creativity and innovation in their growth and sustainability must come from special or modern societies, particularly in the advance capitalist societies. Here, an entrepreneur is an economic leader, who possesses the ability to recognize opportunities for successful introduction of new commodities, new techniques and new sources of supply and to assemble the necessary plant and equipment, management and labour and organize them into a running concern. Business entrepreneurs often have strong beliefs about a market opportunity and are willing to

accept a high level of personal, professional or financial risk to pursue that opportunity. Business entrepreneurs are often highly regarded in United States as critical components of the capitalistic society. The function of the entrepreneur is to take calculated risks, manage uncertainty and engage in the coordination of productive resources.

Authorities agree that entrepreneur is a loanword from French. Napoleon, as the strutting conqueror of Europe, made the word Entrepreneur popular and domesticated it in the language of the defeated nations. But Britain gave it a practical expression through its industrial revolution which transformed the world technologically.

The world system theory or modern world system originated around 1500. In parts of Western Europe, a long-term crisis of Feudalism gave way to technological innovation and the rise of market institutions. Advances in production and incentives for long-distance trade stimulated Europeans to reach other parts of the globe. Superior military strength and means of transportation enabled them to establish economic ties with other regions that favoured the accumulation of wealth in the European core. Capital-intensive production was reserved for core countries while peripheral areas provided low-skill, labour and raw material... while the Europeans started with only small advantages, they exploited them to reshape the world in their capitalist image. The world as a whole is now devoted to endless accumulation and profit-seeking on the basis of exchange in a market that treats goods and labour alike as commodities. The driving force of this capitalist world-economy is the accumulation of private capital through the exploitation in production and sale for profit. It is a system that operates on the primacy of the endless accumulation of capital via the eventual commodification of everything [3].

Statement of problem

- Entrepreneurs like Sears, rose to their levels of incompetence and reached the governance disaster which threatened them either to

quit or hire Professional Corporate Entrepreneur to revive their business enterprises.

- Changes occurred radically and demanded instant professional handling.
- Adjusting to the demands of the new conditions might be a serious challenge.

Objectives of the problem

To determine the role of creativity and innovation in entrepreneurial activity, business growth and sustainability

Research questions: What role do creativity and innovation play in entrepreneurial activity, business growth and sustainability?

Role of societies on promoting entrepreneurship

Many countries attach great importance to the preparedness of entrepreneurs to acquire knowledge and to be able to use the results of innovation and new information. The UNICEF too sets a high value on the development of SMEs both in advanced and in transition and emerging market economies. In its work, it recognized that Government can and must help in creating an enabling environment for SMEs so that they can more easily cope with the ever-increasing challenges.

In market economies, the most significant problems for SMEs include the transition to the culture of entrepreneurship, the acquisition of business and management skills and technical awareness of the product and service quality demanded by market driven economies. Only when these attributes are in place, and there is a supportive and regulated economic environment can one anticipate the sustainability of SMEs [4].

Obasi [5] affirms that the dominant method we utilize in acquiring knowledge is a function of the realities of our existence or the conditions we pass through in life, the level of our intellectual or cognitive capacity, existence of and belief in, rival theologies and the level of our educational and/or professional attainments among others. In actual fact, these factors determined to a large extent the degree of sophistication (or lack of it) of particular method(s) we utilize in acquiring knowledge. The knowledge worker is the one factor of production through which the highly developed societies and economies of today the United States, Western Europe Japan and also increasingly China and Russia become and remain competitive [2].

Industrial growth in Europe and Britain

The European 17 century colonial expansion, international trade, and creation of financial markets produced a new legal and financial environment, one which supported and enabled 18th century industrial growth in Europe. As the Industrial Revolution developed, British manufactured output surged ahead of other economies because of the natural and financial resources it received from its many overseas colonies, the greater liberalization of trade from a large merchant base, the availability of key resources it possessed, and the stable political situation in Britain from around 1688 as well as the British society's greater receptiveness to change. The main theory is that the British advance was due to the presence of an entrepreneurial class which believed in progress, technology and hardwork [6]. Secondly, dissenters found themselves barred from almost all public offices as well as education at England's only two universities at the time-Oxford and Cambridge.

Creativity

Creativity is the generation of ideas that results in the improved efficiency or effectiveness of a system [7]. Its two important aspects are process and people. The process is goal oriented and designed to attain a solution to a problem. The people are the active resources that determine the solution. They will sometimes adapt a solution and at other times they will formulate a highly innovative solution [8]. This innovator approaches tasks from unusual angles, discovers problems and avenues of solution, questions basic assumptions related to current practices, is more interested in ends, has little tolerance for routine work, little or no need for consensus and often insensitive to others Kirton [9].

Innovation and the entrepreneur

Innovation is the specific function of entrepreneurship. It is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth. Innovation is both conceptual and perceptual and would-be innovators must go out and look, ask and listen. Successful innovators use both the right and left sides of their brains. They look at figures. They look at people. They analytically work out what the innovation has to be to satisfy the opportunity. Then they go out and look at potential product users to study their expectations values and needs [10].

Schumpeterian view on innovation

Innovation, was the criterion of entrepreneurship. Its defining characteristic is simply the doing of new things or the doing of things that are already being done in a new way [11]. The 'new way' was a creative response to a situation that had at least three essential characteristics. First... it can practically never be understood 'ex ante'. Secondly, creative response shapes the whole course of subsequent events and their long-run outcome. Thirdly, creative response...has... something to do (a) with the quality of personnel available in the society (b) with quality available to a particular field of activity and (c) with individual decisions, actions and patterns of behavior. Thus to Schumpeter, a manager was an entrepreneur only while he was making a creative or innovative response. He maintains that both interest and profit arose from a progressive change and would not exist in static society. Change, in turn, was the work of innovating business entrepreneurs. Since one change was likely to stimulate others, there was a tendency for innovations to cluster and produce long upswings in profit and business activity. This is like a proactive model (Figure 1).

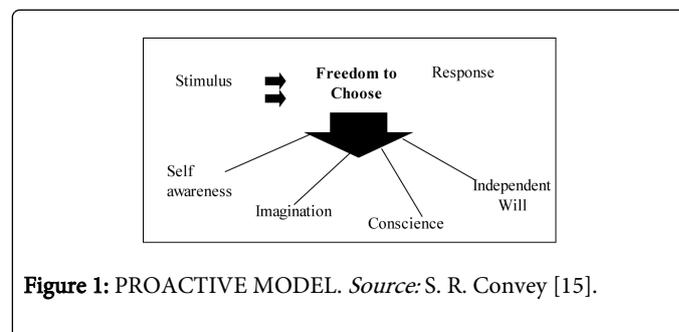


Figure 1: PROACTIVE MODEL. Source: S. R. Convey [15].

where response is not instinctive but influenced or improved by self-awareness of strength and weakness, perception of opportunities

and threat. Conscience defining the rules of business and independent will to take off based on the outcome of the rules of the game and making final decision.

Theoretical Framework

The theoretical framework is based on both theory of need for achievement (n/ACH) and the theory of private victory. They are complementary. Firstly, the theory of need-for-achievement is motivational theory. It means the need for achievement, that is, the sense of doing and getting things done which promotes entrepreneurship. The need for achievement is a stable personality characteristics rooted in experience in middle childhood. Variations The n/ACH is important in determining economic growth. Because any organized enterprise and every department of its represent groups of individuals working together to achieve goals, the need for achievement is of paramount importance. Variations in n/ACH levels were correlated with stories in children’s text books and it was found that n/ACH was very high in United States of America 80 or 90 years ago. It is the highest in Russia and China now. This stable personality characteristics rooted in experience in middle childhood repositions the countries of the world in the table of relative largest economies when these children attain maturity. For example, the relative positions of nations in the world Largest Economies (GDP in \$billion in 2004 shows United States as the World’s Largest Economy. The second was Japan and China was the Sixth. But in 2010, the same China was second to the United States. People with high with a high need-for-achievement have an intense desire for success and an equal fear for failure. This implies that they want to be challenged, set moderately difficult but not impossible goals for themselves, take a realistic approach to risk, they are not likely to be coin tossers’ but rather endeavor to analyze and assess problems, prefer to assume personal responsibility to get a job done, they like specific and prompt feedback on how they are doing, also like to work long hours and tend to be restless. They do not worry unduly about failure if it does occur. They tend to like or prefer to run their own shows [12] (Table 1 and Figure 2).

| Country | GDP | Country | GDP |
|-------------------|--------|-----------------|-----|
| 1. United States | 10,065 | 11. Brazil | 502 |
| 2. Japan | 4,141 | 12. India | 477 |
| 3. Germany | 1,846 | 13. South Korea | 422 |
| 4. United Kingdom | 1,424 | 14. Netherlands | 380 |
| 5. France | 1,309 | 15. Australia | 368 |
| 6. China | 1,159 | 16. Russia | 310 |
| 7. Italy | 1,088 | 17. Taiwan | 282 |
| 8. Canada | 694 | 18. Argentina | 268 |
| 9. Mexico | 617 | 19. Switzerland | 247 |
| 10. Spain | 581 | 20. Belgium | 229 |

Table 1: Worlds Largest Economies GDP in \$billions, 2004. Source: Based on the Ecomist Pocket World in Figures (World Profile Books, 2004) page 24.

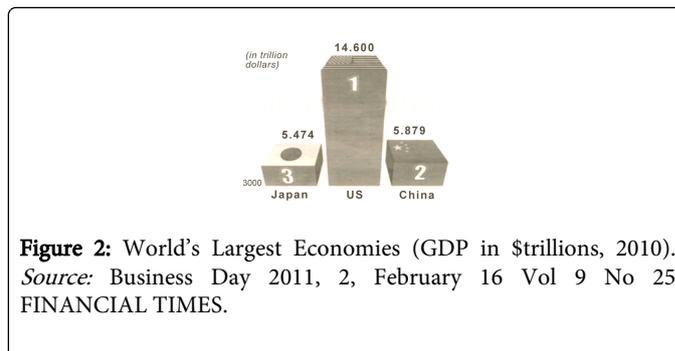


Figure 2: World’s Largest Economies (GDP in \$trillions, 2010). Source: Business Day 2011, 2, February 16 Vol 9 No 25 FINANCIAL TIMES.

List of Countries by GDP (PPP) per Capital

This list in Table 2 shows the countries by 2012 GDP (PPP) per capita based on World Bank The World Bank figures were based on actual data [13]. All figures are in current Geary-Khamis dollars, more commonly known as – International dollars (Ints).

| Rank | Country | IntS | Year |
|------|----------------|--------|------|
| 9 | Switzerland | 57.705 | 2013 |
| 10 | United States | 53.143 | 2013 |
| 14 | Australia | 43.55 | 2013 |
| 16 | Netherlands | 43.404 | 2013 |
| 17 | Germany | 43.332 | 2013 |
| 19 | Canada | 43.207 | 2013 |
| 21 | Belgium | 40.338 | 2013 |
| 24 | France | 36.907 | 2013 |
| 25 | Japan | 36.315 | 2013 |
| 26 | United Kingdom | 36.209 | 2013 |
| 27 | Italy | 34.303 | 2013 |
| 30 | South Korea | 33.14 | 2013 |
| 32 | Spain | 32.103 | 2013 |
| 43 | Russia | 24.12 | 2013 |
| 67 | Mexico | 16.463 | 2013 |
| 75 | Brazil | 13.024 | 2013 |
| 84 | China | 11.904 | 2013 |
| | Algeria | - | - |
| | Taiwan | - | - |

Table 2: List of countries. Source: World Development Indicators 2014.

The Gross Domestic product at purchasing power party (PPP) per capita for the countries is the value of all final goods and services produced within a country in a given year, divided by the average (or mid year) population for the same year.

Using a PPP basis is arguably more useful when comparing generalized differences in living standards on the whole between nations because PPP takes into account the relative cost of living and the inflation rates of the countries, rather than using just exchange rates which many distort the real difference in income [14].

The second is the theory of private victor: [15]. It demands that an entrepreneur be proactive through his visionary objective, begin with the End in mind backed by a positive and unyielding determination at the start-up of the business enterprise (Figure 3 –Needs of start-up) and doing first things first in the sequential structure of the activities in the operations of a business enterprise. See Figure 4 – on the needs of operational of SMES.

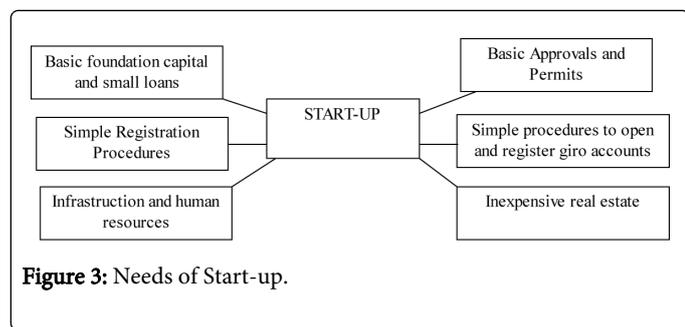


Figure 3: Needs of Start-up.

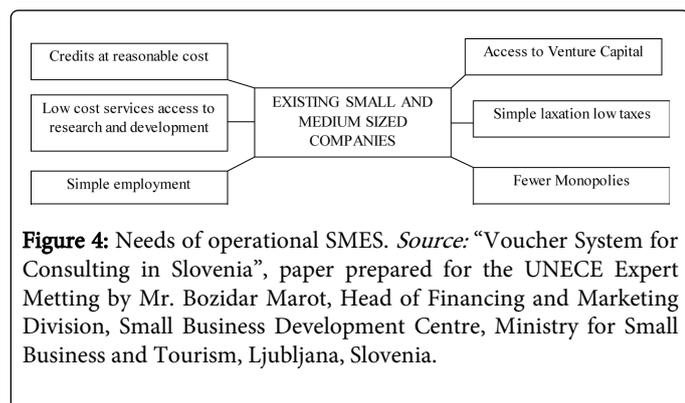


Figure 4: Needs of operational SMES. Source: “Voucher System for Consulting in Slovenia”, paper prepared for the UNECE Expert Meeting by Mr. Bozidar Marot, Head of Financing and Marketing Division, Small Business Development Centre, Ministry for Small Business and Tourism, Ljubljana, Slovenia.

It encourages the use of three principles: (1) a principle of personal vision is the unquestionable ability of man to elevate his life by conscious endeavour (Henry David Thoreau in [15]). (2) Principles of personal leadership lies within us (Oliver Wendel Holmes [15]) and (3) Principles of personal management emphasize that things which matter most must never be at the mercy of things which matter least (Goethe in [15]). Principle Centre: By centering our lives on current principles we create a solid foundation for development of the four-life support factors imagination, consciences, independent will and particularly self-awareness. Principles are deep fundamental truths generic common denominators. Principles do not change our understanding them does. Principles have natural consequences attached to them. It inflames the zeal of the entrepreneur to uncommonly stretch himself and sacrifice greatly his personal endowments and his time to attain highly and achieve great success (Allen, 1980). The great historian Arnold Toynbee said that you could pretty well summarize the history of society and the institutions in it, in four words. ‘Nothing fails like success,’ in other words when you have a challenge and creative response is equal to or more than the challenge, that is called success or entrepreneurial success [15].

Entrepreneurship

Entrepreneurship and innovation are not naturally occurring in organizations. They are designed capacities and it is management or entrepreneur’s responsibility to determine the appropriate degree of entrepreneurship for individual departments and for the organization as a whole, as well as to design an environment that channels innovation and promotes entrepreneurial activity [16]. For example Table 3.

| S/N | Inventor | Innovations |
|-----|-----------------------|-----------------------------|
| 1 | Richard Sears | Sears, Roebuck and Company |
| 2 | Ted Turner | TBS and CNN |
| 3 | William the Conqueror | Common law or Rule of Law |
| 4 | Francis Bouygues | Industrial Company Bouygues |
| 5 | Alan Sugar | Amstrad |
| 6 | Bill Gates | Microsoft |
| 7 | Richard Branson | Virgin group |
| 8 | Henry Ford | Ford Motor Company |
| 9 | James Dyson | Dysen Company |
| 10 | Michael Dell | Dell Inc. |

Table 3: Inventors and their Innovations.

Sears story: This paper renders the Sears story because it dramatizes from start-up, creativity and innovation, changes and professional review of innovation, further changes and a drastic switch to a new area of business. It further highlights the relevance of corporate entrepreneur, who combines the land of one, labour of another and the capital yet of another and thus produces a product. It was Sears that made corporate entrepreneurs the most sought-after professionals in the 21st century economy [17]. These are individuals whose education and experience net (not capital) are both broad and deep and who have the requisite skills for identifying and exploiting opportunities, fostering team based innovation or intercreativity and managing change [16].

Ted tumer cable network news (CNN): Richard Edward Ted Turner III is an American ‘media mogul’ and philanthropist. As a business man he is known as founder of the ‘cable news’ network (CNN), the first 24-hour cable news channel. In addition, he founded WTBS which pioneered the ‘superstation’ concept in ‘cable television’. As a philanthropist he is known for his \$1billion gift to support the United Nations which created the United Nations Foundation, a public charity to broaden support for the UN. Turner serves as chairman of the United Nations Foundation board of director.

Turner’s media empire began with his father’s billboard business which he took over at 24 after his father’s suicide in 1963. The business “Turner outdoor Advertising” was worth \$1 million in 1963, roughly \$7.7 million in present day terms. Purchase of an Atlanta UHF station in 1970 began the Turner Broadcasting System. Cable News Network revolution news media covering the space shuttle challenger disaster in 1986 and the Persian Gulf War in 1991.

CNN: Turner created CNN in 1980. He said: “We won’t be signing off until the world ends, We will be on, and we will cover the end of

the world-live and that will be our last event... We will play 'Nearer, My God to thee before we sign off'.

After five years CNN outgrew its home, a former country club on outskirts of midtown Allants. Turner purchased the omni International from developer Tom Cousins and moved CNN there. The complex was rechristened the CNN centre. As Omni International the complex had never succeeded. Cousin sold it to Turner along with the Atlanta Hawks CNN moved into the end of the lower tower that once housed the world of Sid and Marty Krofft. Turner was instrumental in the revival of Atlanta downtown.

William the conqueror: William the Conqueror did not create a technological novelty but he developed the common law or rule of law He used his Norman Kings to achieve this purpose which enthroned justice and equity and prohibited man's inhumanity to man.

William the Conqueror conquered England in 1066. The British society's greater receptiveness to change conditioned it to accept this defeat. Upon conquering England, the Normans found themselves attempting to govern a land with no uniform nationwide system of law or means for the consistent administration of justice. Such laws as existed were based on the local customs of each township and in many cases 'force' was the 'law'. William the conqueror end eavoured to unify the legal system of England. He replaced the local and highly varied systems of law, with a uniform or 'common'-system of law. This system was administered by the royal judges sent out into the land to listen to controversies, dispute and accusations which arose. The centralized and uniform system for the administration of justice was continued by the Norman Kings. By the early thirteenth century, the Norman judicial system had replaced the various local method of dispute resolution. The Norman Kings royal judges drew from customs, traditions, business practices and community standards to create the principles on which to decide eases. Over the years, as the court system grew and became more finely attuned to the needs of society, a system of judge-made rules began to develop. The rules became known as the 'common law' because they were common to all the people in the land. Common law developed at the township level changing as it developed.

Common law... makes itself up as it grows along; it sets precedents but they are never unalterable because they are derived ultimately, not from a book of rules, but from a judge's intuitive feeling for equity and fair play-from a man rather than machine. Code law assumes a pattern laid down once and for all, common law assumes a freely developing pattern which is nevertheless consistent with itself, like the development of a living language.

Francis bouygues: Francis Bouygues a French businessman and film producer, he founded industrial company Bougues in 1952 and ran until 1989.

- **Bouygues' Five Business Areas:** Bouygues construction a full service contractor, Bouygues immobilier France leading property developer, Colas the world's leading road builder, IFI leading private television group in France, and Bouygues Telecom mobile fixed, TV and Internet Services.
- **Group profile:** Colas completes over 100,000 projects world wide each year. Group's workforce: 130,827 employees

Alan sugar: Alan Michael Sugar an English Business magnate media personality and political adviser, estimated fortune of £770m (US \$1.14billion). Amstrad is an acronym of his initials-Alan Michael Sugar Trading. The company began as a general importer/exporter

and wholesaler, but seen specialized in consumer electronics. By 1970 the first manufacturing venture was underway he achieved lower production prizes by using injection moulding plastics for hi-fi turnable covers, severely undercutting competitors who used vacuum forming processes manufacturing capacity was seen expanded to include the production of audio amplifiers and tuners.

At the peak Amstrad achieved a stock market value of £1.2billion but the 1990s proved a difficult time for the company. The launch of a range of business PCs was marred by unreliable hard disks supplied by 'Seagate' which occasioned a high level of customer dissatisfaction and damage to Amstrade's reputation in the personal computer market from which it never recovered. On 2 July 2008, it was announced that sugar was standing down from Amstrade as chairman.

Bill Gates: Bill Gates is an American 'business magnate' philanthropist, investor, computer programmer and Gates is the former chief executive and chairman of Microsoft, the world's largest personal-computer 'software' company which he co-founded with Paul Alen.

According to the Bloomberg Billionaires list, Gates became the world's richest person again in May 2013, a position that he last held on the list in 2007. As of June 2014 he is still the richest.

Gates is one of the best-known entrepreneurs of the personal computer revolution. Gates has been criticized for his business tactics which have been considered anti-competitive, an opinion which has in some cases been upheld by judicial courts.

Gates stepped down as Chief Executive Officer of Microsoft in January 2000.

Richard branson: Sir Richard Charles Nicholas Branson is an English 'business magnet' and investor. He is best known as the founder of Virgin Group which comprises more than 400 companies.

In 1970 he set up a mail-order record business. In 1972, he opened a chain of record stores. Virgin Records, later known as Virgin Megastores Branson's Virgin brand grew rapidly during the 1980s, as he set up Virgin Atlantic and expanded the Virgin Records music label. According to the Forbes 2012, list of billionaires, Branson is the sixth richest citizen of the United Kingdom with an estimated net worth of US\$4.6 billion.

Business ventures: Main article Timeline of Richard Branson's business ventures. Branson formed Virgin Atlantic Airways in 1984, launched Virgin Mobile in 1999 and Virgin Blue in Australia (now named virgin Australia) in 2000. He was 9th in the "Sunday Times Rich List 2006". Worth slightly more than £3billion. Branson wrote in his autobiography of the decision to start an airline:

"my interest in life comes from setting myself huge, apparently unachievable challenges and trying to rise above them... from the perspective of wanting to live life to the full. I felt that I had to attempt it".

He has a litany of Honours and Awards.

Henry ford: Henry Ford was an American Industrialist the founder of the Ford Motor Company and sponsor of the development of the 'assembly line' technique of mass production Henry Ford developed and manufactured the first automobile that many middle class American could afford. In doing so, Ford converted the automobile from an expensive curiosity into a practical conveyance that would profoundly impact the landscape of the twentieth century. His

introduction of Model T-automobile revolutionized transportation and American industry. As owner of Ford Motor Company he became one of the richest and best known people in the world. He is credited with 'Fordism' mass production of inexpensive good coupled with high wages for workers. Ford had a global vision with consumerism as the key to peace. His intense commitment to systematically lowering cost resulted in many technical and business innovations including a 'franchise' system that put dealerships throughout most of North American and in major cities on six continents. Ford left most of his vast wealth to the 'Ford foundation' and arranged for his family to control, the company permanently.

James dysen: James dysen was a British inventor, industrial designer and founder of the Dysen Company. He is best known as the inventor of the Dual cyclone bagless vacuum cleaner, which works on the principles of cvclonic separation. According to the Sunday Times Rich list 2012 his net worth in 2013 was £3billion.

In 2000 Dysen expanded his appliance range to include a washing machine called the Centra Rotator. This item was net a commercial success and is no longer available.

Michael Dell: Michael Saul Dell is an American business magnet, inventor, philanthropist and author. He is known as the founder and CEO of Dell Inc. one of the world's leading sellers of personal computers (PCs). He was ranked the 41st richest person in the world on 2012 Forbes list of billionaires. With a net worth of US\$ 15.9 billion as at March 2012.

In 2011 the 243.35 million shares of Dell stock were worth \$3.5 billion giving him 12% ownership of the company. On January 5, 2013 it was announced that Michael Dell had bid to take Dell Inc. private for \$24.4 billion, the biggest leveraged buyout since the great depression.

Start-Up of sear's company

The opportunity that favoured the start-up or creating of Sears Roebuck and company was isolation of the American former. This was because the existing channels of distributions virtually excluded him. Sears Roebuck, through personal vision, envisioned the poor American farmer being denied his specific needs. The feasibility study revealed a tremendous almost untapped buying potential in the aggregate. He began with the end of possible success in mind using the principles of his personal leadership. The application of the principles of personal management enabled him to do first things first in the start-up of his company as a way to satisfy his need for achievement.

Sears as a business

Sears started in late eighteenth century and became a business around the turn of the century with the realization that the American farmer represented a separate and distinct market. It was separate because of his isolation which made existing channels of distribution inaccessible to him and distinct because his specific needs were different from those of the city consumers. The farmer's individually low purchasing power was overwhelmed by a feasibility study that represented a tremendous almost untapped buying potential in t eh aggregate. To exploit this opportunity Sears needed to overcome the clean-break imposed by isolation to reach the farmer. Merchandise has to be produced to satisfy his need and wants. It had to be brought to him in large quantities at low price and with a guarantee of regular supply. The farmer required to be given a warranty of reliability and

honesty by the supplier, since his physical isolation denied him the opportunity to personally inspect merchandise before delivery or to seek redness if cheated. These requirements created a need for analysis of customer and market and especially of what the farmer considered 'value'. The result of the analysis required innovations in five distinct areas for the creation of SEARS, ROEBUCK as a business.

First series of innovation

Systematic merchandising: it demanded systematic merchandising that is the finding and developing of sources of supply for the particular goods the farmer needed in the quality and quantity he needed them and at a price he could pay. His sources of supply determined the purchasing prices of the merchandise.

Mail order catalogue: It required a mail-order catalogue capable of serving as adequate substitute for the shopping trips to the big city the farmer could not make. Drucker [1] reveals that for this reason the catalogue had to become a regular publication rather than an announcement of spectacular 'bargains' at irregular intervals, it had to break with the entire tradition of mail-selling and had to learn not to high-pressure the farmer into buying by exaggerated boasts, but to give him instead a factual description of the goods offered. The aim had to be to create a permanent customer by convincing him of the reliability of the catalogue and of the reputation of the company behind it. The factual description of the goods did not conform with the actual goods to meet the specification of the description.

Caveat vendor: The age-old concept of caveat emptor had to be changed to caveat vendor- the meaning of the famous Sears policy of 'your money back and no question asked'

Large quantities: A way had to be found to fill large quantities of customer orders cheaply and quickly. Without the mail-order plant, conduct of the business would have been physically impossible. The mail-order plant is externally sourced.

Human organization: A human organization had to be build-and when Sears Roebuck started to become a business, most of the necessary human skills were not available. There were for instance, no buyers for the kind of an operation, no accountants versed in the new requirements of inventory control, no artists to illustrate the catalogues, no clerks experienced in the handling of a large volume of customer orders. This implies that Sears Roebuck alone was everything and must have worked under undue stress.

The absence of necessary human skills, in particular resulted in governance disaster in the management of the company by Sears Roebuck. This was worsened by his sole objective of profit maximization.

Sears governance disaster: Richard Sears gave the company his name. This is expected being the owner of the company. But it was not Richard Sears who made it a modern business enterprise. According to Drucker [2], Sears own operation could hardly be called a 'business'. He was a shrewd speculator, buying up distress-merchandise and offering it, one batch at a time, through spectacular advertising. Every one of his deals was a complete transaction in itself which, when finished, liquidated itself and the business with it. Sears could make a lot of money for himself. But his way of operation could never found a business, let alone perpetuate it. In fact, he would have been forced out of business within a few years, as all the many people before him had been who operated on a similar basis. This governance disaster created

a gap that was filled by the first corporate entrepreneur Julius Rosenwald.

First phase

Corporate Entrepreneur: Julius Rosenwald

Julius Rosenwald made an analysis of the market. It was this corporate entrepreneur who made a business enterprise out of Sears in the ten years between 1895 when he took control and 1905 when the Chicago mail-order plant was opened. Only this basic contribution to the early history was not made by Rosewald. The Chicago mail-order plant was designed by Otto Doering in 1903. The issue of the isolation of the farmer was still evident. Rosenwald released series of innovation as a knowledgeable business professional. As an expert well oriented in tenable economic theory of business enterprise, he made creative responses or innovations in the following areas:

1. Systematic development of Merchandise Sources: This was an improvement from the earlier systemic merchandising of Sears, the entrepreneur. The systematic merchandising only requires finding and developing sources of supply for the particular goods required. But the systematic Development of merchandise sources implies an undertaking and control by the company to systematically develop the merchandise sources: first to its taste, quality and quantity and secondly, control merchandise which stabilizes the purchasing price of merchandise and ensures an inventory of the merchandise in store to facilitate the meeting of customer orders timely and on schedule as well as match between actual goods with the description of good as contained in the catalogues.
2. Regular factual mail-order catalogue: He invented the regular factual mail-order catalogues. The innovation started with the proper placement of the word – ‘FACTUAL’ on regular mail-order catalogue instead of its earlier placement on the description of the goods. The other aspect was the assurance that what the catalogue contained was available for delivery on payment to a customer. Its contents are verifiable and available as well as accessible to any willing buyer. It further emphasizes diligence on the part of the company instead of the earlier ‘conviction’ on catalogue and company behind it. The policy changed: ‘Satisfaction guaranteed or your money back’
3. Productive Human Organization
4. Human organization under Sears lacked the basic human skills leaving the entrepreneur to perform multiple roles: management, marketing, record-keeping, financing and others. The word-productive gave focus, recognition and defined scope of the utilization of the people within the organization. This productive human organization was basically in the interest and for the benefit of the company only. He expertly achieved this productive efficiency and corporate entrepreneurial effectiveness of the human organization by:
 - giving to management people the maximum of authority and full responsibility for results. This gave business the principle of co-equal authority and responsibility.
 - he gave every employee an ownership stake in the company bought for him out of profits. This is motivation in practice which induced employees to release their full potentials at work to achieve outstanding performance in their joint contribution to joint attainment of organizational objectives. The employee is both

a worker on salary and a shareholder receiving appropriate dividends.

It was on this foundation that Sears had grown by the end of the First World War into a national institute with its ‘wish-book’ the only literature, outside the Bible; to be found in many farm homes.

Second phase

Second corporate entrepreneur: General Robert E. Wood

The Second phase in the Sears story begins in the mid-twenties.

Just as the first phase was dominated by the first corporate entrepreneur – Julius Rosenwald, the second chapter was dominated by another corporate Entrepreneur: General Robert E. Wood.

Managing “Change of Isolation”: Robert-Wood joined Sears by the mid-twenties. The original Sears market was changing rapidly. Now, the farmer was no more isolated; the automobile had enabled him to go to town and to shop there. He was no longer a distinct market but was, largely thanks to Sears, rapidly assimilating his way of life and his standard of living to those of the Urban middle classes.

One big homogeneous market: At the same time a vast urban market had come into being that was in its way, as isolated and as badly supplied as the farmer had been twenty-five years earlier. The low income groups in the cities had outgrown both their subsistence standards and their distinct ‘lower-class’ habits. They were fast acquiring both the money and the desire to buy the same goods as the middle and upper classes. In other words, the country was rapidly becoming one big homogeneous market-but the distribution systems was still one of separate and distinct markets.

Sound preparation and decision: General Robert E Wood had made an analysis of the Sears company even before he joined it. The major findings of the analysis are:

- The foundation opportunity of isolation has changed completely requiring Sears to exploit the existing homogeneous market
- The farmer has made money and can pay his transport fares to cities thereby being liberated from physical isolation
- The future of Sears cannot be sustained in the supply of the specific needs of the farmer.

Based the major finding of the analysis, the recommendation to switch Sears’s emphasis over to retail stores-equipped to serve both motorized farmer and the city population. This decision implementation demanded for a whole series of innovation to be undertaken to make it practically possible.

Series of Innovation are:

1. Merchandizing had to add two new major functions (1) the design of products and (2) the development of manufacturers capable of producing these products in large quantities. For instance class market products like refrigerators in the twenties-had to be redesigned for a mass market with limited purchasing power often with Sears’s money and Sears trained management to produce these goods.
2. A basic policy for the relations between Sears and its suppliers especially those who depended on the company’s purchases for the bulk of their business had to be formulated.

3. Merchandise planning and research and the systematic building of hundreds of small suppliers capable of producing for a mass market had to be invented—largely by T.V. House for many years the company's merchandising vice-president.

They are as basic to mass distribution in Sears second phase as mail-order house and catalogues were in its first. And they are as distinct a contribution to the American economy.

CHALLENGES

1. Shortage of Retail-Store Managers: The actualization of retail-selling also meant getting store manager. It is like a re-engineering process that inevitably must displace some staff members. For example mail-order selling did not prepare a man for the management of a retail store. The greatest bottle neck for the first ten or fifteen years of Sears's retail operation, that is almost until the Second World War, was the shortage of managers
2. Manger Development: The most systematic innovations had to be in the field of manager development and the Sears policies of the thirties became the starting point for all the work in manager development now going on in American industry.
3. Retail Selling Demands: Expansion into retail selling also meant radical innovations in organization structure. This is because mail-order selling is a highly centralized operation—or at least it has always been so in Sears. But retail stores cannot be run from headquarters two thousand miles away. They must be managed locally. And only a few mail-order plants were needed to supply the country but Sears today has seven hundred stores, each with its own market and its own locality. A decentralized organization structure, methods of managing a decentralized company, measuring the performance of store managers and maintaining corporate unity with maximum local autonomy—all these had to be created to make possible retail-selling. And new compensation policies had to be found to reward store managers for performance.
4. Location, Architecture and Physical Arrangement: Sears had to turn innovator in respect of location, architecture and physical arrangement of the stores. The traditional retail store was unsuited for the Sears market. It was not just a matter of putting the Sears store on the out skirts of the cities and of providing it with an adequate parking lot. The whole concept of the retail store had to be changed. In fact, few people even at Sears realize how far this innovation has gone and how deeply it has influenced the shopping habits of the American people as well as the physical appearance of towns. The suburban shopping centre, touted today as a radical innovation in retail-selling is really nothing but an initiation of concepts and methods developed by Sears during the thirties.
5. Profits grew right through Depression, Second World War and post war boom: The basic decision underlying the expansion into retail stores were taken in the early thirties, the basic innovations had been made by the early thirties. This explains why Sears's volume of business and its profits grew right through depression second World War and post war boom.

Third Phase

Third Corporate Entrepreneur: T.V. Houser General Wood retired from the chairmanship of Sears in the spring of 1954 and T.V. Houser

took his place. This well symbolizes the end of an era for Sears which now faces new problems and new opportunities.

Managing change (of Automobile)

The automobile that changed Sears's market once seems to be about to change it again. Why? In most of American cities driving has become so unpleasant and parking so difficult that the automobile is rapidly ceasing to be an aid to the shopper and is becoming its own worst enemy. At the same time, the typical Sears customer the housewife tend more and more to be employed and at work during shopping hours. Or else she has small children and nobody to leave them with when she goes shopping.

Sears may have to think through what its business is, where its markets are and what innovations are needed.

Major findings

1. Entrepreneurs endeavour to set for themselves high apparently unachievable challenges and in practice trying to rise above the challenges from the perspective of wanting to live life in full or preserving in the super-fulfillment of their uncommon objective.
2. Governments of advanced market economies orient that policies and programmes towards fostering entrepreneurship and they are mounting specialized services and action plans to address these needs.
3. Britain humbled itself under William-the-conqueror who developed the British common law legal system.
4. The entrepreneurs were philanthropists and invested in corporate social responsibility and environmental responsibility.

Conclusion

Britain began the technological modernization of the world through its creative and innovative industrial revolution as well as its common law or rule of law that made all individuals to be equal under the law. The long-term crisis of Feudalism gave way to technological innovation and the rise of market institution. This stimulated Europeans to reach other parts of the globe. Its superior military strengths and means of transportation enabled them to establish economic ties with other regions that favoured the accumulation of wealth in the European core. Britain provided the opportunity for the technological renewing of the world. Others: Henry Ford, Bill Gates, Ted Turner, Michael Dell Bill Gates from United States of America; James Dysen, Alan Sugar Richard Branson from Britain and Francis Bouygues from France as well as others contributed in making globalization a reality. There is unlimited opportunity for others to contribute in making globalization better.

Recommendations

1. Entrepreneurs should be more enterprising and build positively on the existing technological and information explosion in science technology and other disciplines' for continual renewal of the globe or world.
2. Governments should concentrate on the human capital development of their people and in general common humanity for enjoyment.
3. Encouraging the establishment of a globe sovereign authority to ensure strict observance of the rule of law.

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