

**From idea to realization of the project; why not business venture too?
Case of the creative project „100lica stolica“**

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Abstract

This paper is focused on the entrepreneurial process (process from business idea to business venture) and its elements, their interconnections, relations and dependences.

Every entrepreneurial venture starts with an idea. It is the starting point of every entrepreneurial process. However, the importance of idea in starting a business venture is often overestimated. Numerous are examples where good ideas remained only ideas, as well as examples where seemingly average ideas have been transformed into excellent business ventures. The importance of idea is perhaps greater in creative industries. People who have lots of ideas are considered creative. But, creativity is actually a process in which „something new is created, or something that already exists is rearranged in a new way“ (Mike Vance, Disney Co.). Thus, the emphasis is on the creation of something (venture, product, service...), and not on the possession and creation of ideas, which is just a characteristic of day dreaming. An idea that has the potential to become an entrepreneurial venture is called a business opportunity. In order for an idea to also be a business opportunity, it has to fulfil a range of conditions: it has to be attractive, lasting, timely, and it has to add value to the end user.

Besides the idea/opportunity, in order to start any (including artistic/creative) business venture, two more elements are needed: team and resources. If some of these elements are missing or if these elements are not harmonized with each other (temporally, spatially ...) business venture will not be started, or that entrepreneurial venture will not be successful. Not every idea is a business opportunity, nor can every team turn every business opportunity into a successful business venture.

This article, on the example of the artistic-creative project „100lica stolica“ describes the path from idea to realization of the project, and speaks about what was lacking in order for this very successful creative project to become a successful entrepreneurial venture as well.

Project „100lica stolica“ was started because of love for painting chairs of one of the main protagonists of the story. A team of people who shared a common vision of the project and had the passion, motivation and energy to implement the project was created; resources needed for implementation of the project were secured. The project ended with the establishment of the "Association for Creative Struggle against Windmills“ „100lica stolica“, with ideas for numerous projects, which, unfortunately, have remained only that, ideas.

Keywords: business idea, business opportunity, new venture creation

1. Entrepreneurial process

Entrepreneurial process is the process from idea to entrepreneurial venture. The entrepreneurial process consists of several phases, which are mutually intertwined and enter one another (Hisrich, R.D, Peters, M.P., Shepherd, D.A., 2011, Barringer, B.R., Ireland, R.D., 2010). Every entrepreneurial process begins with an entrepreneurial idea and assessment and analysis of that idea: how feasible it is, and whether it has potential to become a successful business venture. After that, creation of a business plan commences, within which it is attempted to perceive all the necessary resources for starting the business venture, which is followed by starting the business venture, its management and growth. Some authors (Barringer, Ireland, 2010) talk about the “decision to become an entrepreneur”, as the first phase of the entrepreneurial process. People become entrepreneurs primarily to be independent, to realize their ideas, and to achieve financial gain. Sometimes, it is precisely the opportunity, i.e. identification of an entrepreneurial idea that stimulates a person to make the decision to become an entrepreneur.

One of the rooted myths about entrepreneurship is that entrepreneurs are born. However, numerous studies have shown that “no-one is born to be an entrepreneur, and that everyone has the potential to become one.” (Barringer, Ireland, 2010, Timmons, Spinelli, 2009). Whether or not someone will become an entrepreneur depends on numerous factors, among which the environment plays a major role. Uncertainty and complexity of the environment, and numerous challenges at global, national, organisational and personal level encourage entrepreneurial response of individuals (Gibb, Cotton, 1998), which is reflected through launching a business venture or through development of individual entrepreneurial

skills, attributes and behaviours, primarily referring to proactivity, innovativeness/creativity, and responsibility for one's decisions, that is, readiness to cope with risk.

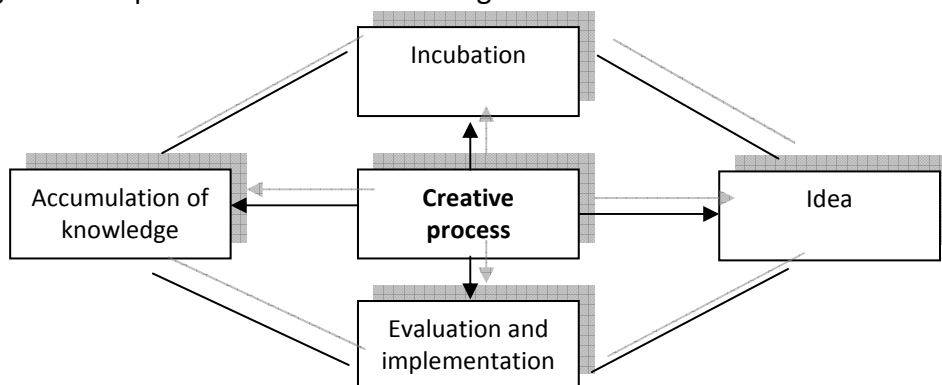
1.1. Creativity and business idea

Creativity is a characteristic that is often associated with entrepreneurs. It is believed that entrepreneurs are creative people, because they have lots of ideas and they are able to create an entrepreneurial venture from those ideas. But, the notion of creativity is often misunderstood, that is, associated with people who just have lots of ideas, but from which nothing is ever created. That is not creativity. Creativity is “generation of ideas that result in the improved efficiency or effectiveness of a system.” (Kuratko, D.F., Hodgetts R.M., 2007). The emphasis is on the result of the process, which should be something new or contribute to better functioning (through increased effectiveness and efficiency) of something existing.

Creativity is a process that can be developed and improved. Everyone possesses a certain dose of creativity; this characteristic is more pronounced in some individuals than others. Creativity is also (as well as entrepreneurial behaviour) significantly influenced by the environment in which individual has grown up and in which he or she was educated. Some individuals are more creative because they were taught to think and act creatively, while that is much more difficult for others, since they were not encouraged or taught to think and act in a creative manner (Kuratko, D.F., Hodgetts R.M., 2007). Creativity is not some rare talent, reserved for the few; creativity is a “distinct way of looking at the world that is oftentimes illogical”. It is a search for connections between seemingly unrelated things, thinking in a different, unusual way, “thinking out of the box”.

The creative process has four steps or phases, which are named differently by different authors (Kuratko, D.F., Hodgetts R.M., 2007). These are (Figure 1): accumulation of knowledge, incubation phase, idea and evaluation and implementation of the chosen idea. These phases enter one another and do not always appear in the same order. It is possible to come to the idea phase from the accumulation of knowledge phase, and then return to the accumulation of knowledge phase and again “enter” the idea phase, and then begin with their evaluation, and then again accumulate knowledge, repeat evaluation of ideas, and ultimately implement them.

Figure 1 The process of creative thinking



Source: Kuratko, D.F., Hodgetts R.M., (2007), Entrepreneurship, 7e, Thomson South-Western, USA

Implementation, as a phase of the process of creative thinking, is one of the key characteristics of successful entrepreneurs (Kuratko, D.F., Hodgetts R.M., 2007, Barringer, Ireland, 2010). It requires courage, self-discipline and perseverance. In many cases just the ability of implementation or “intelligence of implementation” is the factor that determines whether or not a venture will succeed. The ability of implementation involves a lot more than just a “good and quality” idea. It requires the ability to develop a business model, procure resources, create a team and turn creativity and thinking into concrete activities and quantifiable results (Barringer, Ireland, 2010).

One notion that is always connected with creativity and entrepreneurs is innovativeness. Innovativeness is a key component of the entrepreneurial process (Kuratko, D.F., Hodgetts R.M., 2007). “Innovation is the process by which entrepreneurs convert opportunities into marketable ideas. It is the means by which they become catalysts for change.” (Howell J.M., Higgins C.A., 1990). In this process of seeking and creating a business opportunity, creative thinking is of great importance. Creative thinking and the process of creative thinking is the starting point of entrepreneurial venture, which is based on an entrepreneurial idea, but it is much more than just an idea. It represents identification of an entrepreneurial opportunity and its successful transformation into an entrepreneurial venture.

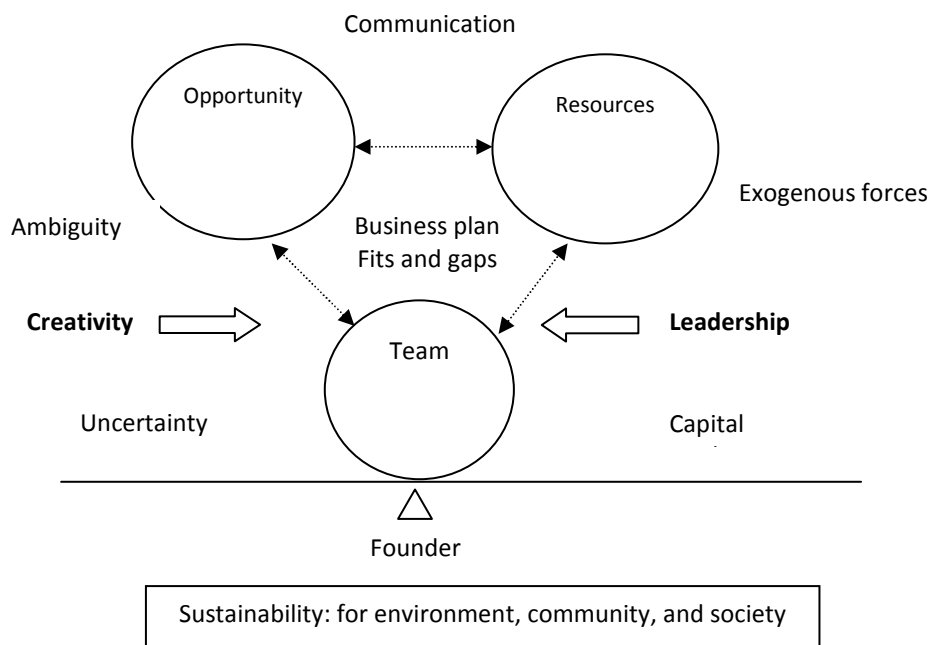
1.2. Business idea and opportunity

Idea and opportunity are not synonyms. Idea is a thought about something, a notion, something that comes to mind. Opportunity represents a set of favourable market conditions that create the need for a new product, service and/or work. (Barringer, Ireland, 2010). An idea may or may not have and meet criteria to be and/or become an opportunity. Often the reason for the failure of business ventures is that entrepreneurs are trying to create a business venture from an idea that doesn't have the characteristics of an opportunity and which doesn't create a need in the market. In order for an idea to be an opportunity, it has to meet four basic criteria (Timmons, 2009, Barringer, Ireland, 2010): timeliness, i.e. “the window of opportunity” must be open, meaning that the market should be entered at an appropriate moment; when demand for a specific product still exists, and the market is not saturated with already existing similar products and/or services; attractiveness; it must attract attention of a sufficient number of future buyers and users, so as to ensure financial viability, that is, cover the costs that launching a business venture brings; and sustainability, which is related to the possibility of creating a sustainable venture that lasts, without compromising a range of sustainability-related issues, including human rights, food quality, energy resources, pollution, global warming, etc. (Timmons, 2009). The fourth characteristic of opportunity is related to the fact that it creates or adds value for the buyer – end user, who is therefore ready to pay for the appropriate product/service. Adding value for the buyer is related to solving some problem and/or meeting some buyer's unmet need or wish.

1.3. Opportunity, resources and team – key elements of a successful entrepreneurial venture

Having an idea that has the basic characteristics of an opportunity is important and necessary, but not enough to create an entrepreneurial venture. To start an entrepreneurial venture, besides an idea/opportunity, we need resources and a team, which have to be compatible (Figure 2).

Figure 2 Timmons' Model of the Entrepreneurial Process



Source: Timmons J.A., Spinelli S., (2009), New Venture Creation, McGraw Hill International, USA

This model also discusses the basic characteristics of every entrepreneurial process: it is driven by entrepreneurial opportunity, entrepreneur and entrepreneurial team, it is limited by resources, and creativity is needed to secure them; it depends on the coherence and the balance between these three elements; it is integrated and holistic, and it is sustainable. All of these characteristics of entrepreneurial process can be influenced and changed in order to get the right “recipe” for a successful entrepreneurial venture (Timmons, Spinelli, 2009). Every investor or potential partner will evaluate these components of entrepreneurial process and try to determine which of them should and can be changed in order to increase the likelihood of entrepreneur's success and accelerate and secure the return of their invested funds.

1.4. The most common causes of failure of business ventures

After it has been established that all the elements for starting a business venture exist, and that they are mutually aligned, business venture can be started. After that, comes the phase of managing the venture and its growth, and the test of its survival. The real challenge is not in turning an idea into a business venture, it is rather in creating a sustainable business venture that is growing.

Every year hundreds and thousands of new ventures are started and every year almost the same number of ventures fails. Numerous studies show that the factors that have caused failure of entrepreneurial ventures are under direct entrepreneur's control, and that the failure and collapse of entrepreneurial venture could have been prevented. There are several most common mistakes, connected with business venture failure (Kuratko, Hodgetts, 2010):

- Lack of objective evaluation: entrepreneurs are often so blinded by their idea that they cannot objectively perceive its true value. In order to avoid failure, each idea has to be evaluated very rigorously and meticulously, decreasing subjectivity to the minimum (by including other, independent evaluators in this process).
- Lack of understanding of the market and market approach; if a venture does not have enough buyers who are ready to pay for a product/service, an idea, however original it may seem, cannot become a successful business venture. How and when to communicate with the market is critical for success of a business venture.
- Lack of understanding of financial basis of the venture: too optimistic evaluation of the necessary funds and finding thereof is very frequently the case in development of a new venture. Entrepreneurs often ignore costs or significantly underestimate them, which can lead to failure.
- Lack of project uniqueness; project uniqueness is a characteristic of the venture that attracts buyers to the venture; it is what makes the venture different from competing offerings.
- Inadequate understanding of technical characteristics and requirements of the project: impatience and insufficient thoroughness in analysis of all the aspects of development of a new venture often lead to unexpected technical difficulties in realization, which bring new, unplanned costs and unexpectedly slow down the entire process, which can ultimately lead to failure.
- Ignorance of legal issues can significantly jeopardize the likelihood of success of a venture. Ignorance of legal regulations and possible legal constraints, as well as possibilities, hinders the process of creation of a sustainable business venture.

Other authors (Bruno A.V., Leidecker J.K., Harder J.W. cited in Kuratko, Hodgetts, 2010) have also come to similar conclusions in their research. Three main categories of factors cause collapse and failure of entrepreneurial ventures: product/market problems (problems related to knowledge of market needs, timely market entry, unclear definition of the business model, etc.), financial problems (problems relating to knowledge of financial issues related to the venture) and problems in management (team creation, human resources management, etc.).

Also in this case, factors are under direct control of the entrepreneur and problems can be foreseen, and thus failure and collapse of entrepreneurial venture can be prevented.

2. Case of the creative project „100lica stolica“

Required for starting every entrepreneurial venture is an idea, which has characteristics of an opportunity, together with resources and a team. Every entrepreneurial venture, regardless of the sector it belongs to, has a certain dose of creativity, innovativeness, proactivity, and carries a certain dose of risk related to the success, that is, failure of the venture.

This case describes the process from idea to entrepreneurial venture, that is, entrepreneurial project, which in the end was not transformed into entrepreneurial venture. The reasons for this are numerous, but can be linked to what was said before: lack of objective evaluation, insufficient understanding of all the technical characteristics, and inadequate knowledge of financial elements of the project/venture.

2.1. Introduction

“Why did I get into all of this? I just wanted to draw!” were the words of Boris M., chairman of the association "100lica", which he uttered while shooting the documentary about the "**100lica stolica**" project. It was September 2008; the very end of the "**100lica stolica**" project. It will soon be four years since the last successful promotion of "**100lica stolica**" in Italy. Since then, the chairs were at first stored in a warehouse as a reminder on all the nice things that were happening in 2008 and 2009, and in the end a large portion of the chairs has been sold off. What remained were nice memories, rich experience, as well as a minus of 30,000 Kuna on the bank account of the main driver of the project, Boris.

The question arises – should this project remain one successfully implemented artistic story, or did the „chairs“ have (that is, do they still have) a potential to start an entrepreneurial venture?

2.2. How did it all begin?

Boris M. has been an entrepreneur for a number of years. In addition, he is „an artistic soul“ and spends all of his free time creating, drawing, painting. For a long time, painting wooden chairs has been his favourite hobby. He and his team of people from the company, where he works and which he co-owns, believed that these chairs were a good background for development of a much larger and broader story, which just waited to come into existence...

„During a work break, I was sitting with several members of the team and we talked about chairs. At one point, one of the team members had an idea, and exclaimed: Let's make 100 chairs! All eyes were wide open, smiles appeared on our faces and I knew instantly: This is it!“ – Boris remembers with a smile on his face. Everyone was delighted with the idea and they were ready to work on its development. Brainstorming about the idea lasted for hours, even days, until they agreed upon one idea, which was to do a multimedia project called "**100lica**

stolica": paint 100 chairs, make a movie about them, photograph them, and use the gathered materials to create a book. The book would be sold at the final event of the project, and the revenues donated to *Novi dan - Association for children with special needs*.

Realization of the project "**100lica stolica**" started without initial capital. Boris had invested his own funds to create the chairs, but that was not enough for implementation of the set plan. Enthralled by the idea and delighted with the enthusiasm of all team members, he thought that eventually he would find a model for gathering financial resources sufficient to implement what was planned. All team members have decided to work on this project completely voluntary. As the time went on, that problem could no longer be put off, because there was danger that lack of financial resources could seriously jeopardize realization of the project. At one of the meetings of team members, the need to find sponsors was discussed, and the easiest ways to raise the needed funds considered. Establishment of an association seemed to be the best solution. In late May 2008, Association for creative struggle against windmills "100lica" (hereinafter the Association)¹ was founded, as a non-profit and non-governmental civic association.

Attractive and different, the "100lica stolica" project was already in full swing and was featured in numerous media – from local and national newspapers, radio and TV stations, many internet portals, and has been a frequent topic of conversation among ordinary people, especially citizens of Osijek. Members of the Association believed that this recognisability will help them interest sponsors to participate in the "**100lica stolica**" project. However, that was not simple. The competition was great, the task of looking for sponsors demanded time and great involvement of the entire team, and everyone was already working somewhere and they used every moment of free time for the project. It was agreed that they would work on the "**100lica stolica**" project exclusively after work hours and on weekends. But, that was often not enough. Thanks to private contacts of team members, the Association managed to reach two sponsors, which have at least partially covered the costs of the project, although the largest part of the project was still financed with Association members' money, primarily by Boris M.

Time was running out, the date scheduled for final shooting of the chairs was drawing near closer and Association's members were busily performing their responsibilities regarding the realization of the project.

The final shot of the movie about 100lica was envisioned with all 100 chairs. That required assistance of volunteers, whose task was, as directed by the director and cinematographers, to move the chairs a few centimetres after each shot, and then move out of the frame as quickly as possible. After several thousand photographs are made, they will be merged into a movie in which the chairs are seemingly strolling through the city, bypassing urban obstacles. Many beautiful shots of the city of Osijek were made, volunteers moved the chairs according to instructions, and organizers were delighted with the enthusiasm of everyone involved.

¹ <http://www.100lica.net>, February 23, 2012

One hundred painted chairs in the city centre caused tremendous interest of passers-by, who stopped by to see what was going on. (Figure 3)

Figure 3 Final shooting at Osijek square



Source: <http://100lica.blogger.hr/post/pala-zadnja-klapa-filma-100-lica/1006447.aspx>, February 23, 2012

If the chairs were for sale on that day, almost certainly all of them would have been sold, because there was rarely a passer-by who didn't ask for how much money they could take one of the chairs home. However, no-one thought about selling the chairs then.

On October 24, 2008 Archaeological Museum was too small for several hundred citizens of Osijek who came to the opening of the humanitarian exhibition, promotion of the book, and screening of the short and documentary movie "**100lica stolica**". At the exhibition and in the period immediately afterwards, more than 500 books for 100.00 Kuna each were sold, which meant that 50,000.00 Kuna was collected for the Novi dan Association.

2.3. Post festum

For involving volunteers in the project, in December 2008, Association "100lica" has received its first award, which was awarded by Volunteer Centre Osijek: Volunteer award in the category of best example of good practice of involvement of volunteers.

The next acknowledgement for the Association for Creative Struggle against Windmills for its "**100lica stolica**" project came at the national level; Vidi portal's Web Top 100 Golden award for the best webpage in science, education and culture category for 2008.

The next important event for the Association was the participation at the 17th Festival of Market Communication Festo, which was held on May 21-23, 2009. At the closing ceremony the best contestants in 9 categories were awarded bronze, silver and golden bells. Association for Creative Struggle against Windmills "100lica" won the Golden Bell in group I - Events for its "**100lica stolica**" project.

On June 05, 2009, Osijek chairs briefly moved to Rovinj, to participate in the second contest, announced within the photography festival Photodays. 10,800 works by 690 authors participated in the contest. Among such a large number of works, the "100lica stolica" book was ranked as one of the top three works in the category "Publishing".

Also, on June 11, 2009, members of the Association were guests at the Pecha Kucha Night (PKN)².

The next appearance of the Association "100lica", through which 100lica gained international character, happened on September 05-06, 2009 in Vicenza, Italy, where they participated in the exhibition "Trastevere in Arte"³.

Members of the Association were supposed to answer the ever more frequently asked question – have the chairs finished their journey, should they be thought of as a well-done, but finished project, or is there potential for further development? Should they sell the chairs, and thus secure the capital necessary for realization of new projects?

But, like all artists, in love with their creation, they asked themselves whether they can sell their artistic work and in doing so remain true to their beliefs, and how can they set the right price. In this thinking, the time passed, and nothing was done. For more than a year, chairs were stored in a warehouse of an Osijek company, somewhat forgotten. After the warehouse had to be emptied, they were moved to the house of their owner and creator. Life with 100 chairs was impossible; the house was crowded, chairs were all over the place and some were even damaged from their stay in the warehouse. The decision to sell the chairs came spontaneously. At first it seemed that it wouldn't be a problem, but too much time had passed and the popularity of chairs that was brought on by the media attention, was decreased. A large number of chairs were sold with great effort and time of one person, who worked on a voluntary basis. Chair price was formed to cover the basic expenses and return the original debt to Boris. Information about the sale of chairs and the possibility to order some of the remaining chairs is still on the Association's webpage. In addition, all the information on the page is from 2009, related to the 100lica stolica project.

The question arises whether the project would have been concluded in the same way if it had been done as a project of the company in which Boris was the co-owner. What if the chair project could have been done as a work task of a team, which would not work on it only on a

² www.pecha-kucha.org

³ www.trastevereinartevicenza.it

volunteer basis, in free time? Prerequisite for longevity of some project, job, idea, besides the love for that job or idea, is knowledge for its realization and economic viability (Collins, 2007). This approach is called the hedgehog approach. „... you can be delighted as much as you want, but if you can't be the best in it, or it does not have economic meaning, then you can have a lot of fun, but you will not achieve great results “ (Collins, 2007:112). If any of these three elements is missing, project cannot be successful in the long run. In this case, economic sustainability of the project was missing; that what would transform this creative artistic project into a creative artistic entrepreneurial venture.

3. Conclusion

Three elements are required for starting an entrepreneurial venture: market feasible business idea, resources and a team. Besides the presence of all three elements, their compatibility is also required. Some ideas are opportunities, but not for the existing team or, currently available resources are inadequate for creation of entrepreneurial venture. Therefore it is important not to underestimate the importance of each of the stated elements. Lack of any of the elements prevents realization of the business venture. The case of "100lica stolica" confirms the stated. There was an idea, which had the characteristics of a business opportunity (timeliness, durability, attractiveness, adding value for the end user/buyer), there was a team, and there were, although very modest, resources. What was missing was an entrepreneurs/leader, who would unite these elements into process of creation of an entrepreneurial venture.

This case describes the process from idea to entrepreneurial venture, that is, entrepreneurial project, which in the end was not transformed into entrepreneurial venture. The reasons for this are numerous, but can be linked to what was said before: lack of objective evaluation, insufficient understanding of all the technical characteristics, and inadequate knowledge of financial elements of the project/venture.

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