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Why Intrapreneurship can negatively affect your business:

To begin with, let's define what intrapreneurship is. To simply put it, the intrapreneur is the person employed by a business that develops new products and/or ideas for the benefit of the employers. Although it sounds as a very good opportunity for the business whose main objectives are growth and evolution we will see how it can have a negative impact in an organization.

Furthermore, the role of the intrapreneur is to question or challenge the status quo. The status quo is the existing state of affairs, especially regarding social or political resources.(1)With this way they manage to come up with creative ideas and enhance the business' growth. The intrapreneur does not only have to bring innovative ideas, but also competitive advantage. The competitive advantage refers to factors that allow a company to produce goods or services better or more cheaply than its rivals. (2)

How can your business be negatively affected by having an intrapreneur? When the company hires an intrapreneur they take a risk of losing their key concepts of their original business idea. In other words, an intrapreneur can come up and execute ideas or projects that do not relate to the business he/she works in, then the "brand" is lost. To illustrate, imagine that Nike hired an intrapreneur and they thought of selling tomatoes. Nike is all about athletic clothing, in this case the intrapreneur executes an idea that is far from related with the business, which will divert their customers' attention to other brands that are known for athletic clothing instead.

In addition, an intrapreneur can also damage the business -financially speaking. Having an intrapreneur is a financial risk. For example, if they come up with a product and then produce it and it turns out to be a failure, then the business will experience financial loss. This is an utterly negative impact an intrapreneur can have on the business, due to the fact that losses resulting from business operations have the opposite effect of profits. Companies facing a reduced market share from lower consumer demand or a downturn in the business cycle may be forced to reduce operational output. Consistent business losses may force the company into bankruptcy. (3)

All in all, it is not a coincidence that the majority of businesses do not have intrapreneurs.
As we can see, it is a huge risk for an intrapreneur to be part of your business, since it can cause losing your business' original/fundamental idea and/or lead to financial loss. In my opinion, it is not a risk worth taking.

(1) oxford dictionary

(3)https://smallbusiness.chron.com/effects-profit-loss-business-organization-824.html

(2) competitive_advantage.asp

What is the best way to attract customers?

It is an undoubted fact that earning trust from potential customers is hard. However, it can't be overlooked that success in a business derives from having customers. No customers means no profit and — no profit means no business. Thus, learning how to establish your brand and thus attracting customers is vital for a business.

Let's begin by explaining what "establishing your brand" is. Developing or establishing a brand involves identifying your business strategy, target customers and their needs, your competition, and your brand positioning and messaging.(1) In other words, establishing your brand helps your business grow financially as well as gain new customers, hence it is the key in making your business successful.

How can you establish your brand? Firstly, you need to conduct research in regards to your target market. A lot of businesses fail due to advertising their services or products to the wrong people. By wrong people one means individuals who are not interested to buy these products/services a corporation sells. To illustrate, if a tech company were to launch wireless earphones it would be pointless to advertise them on TV to reach the elderly as they are not looking for these kinds of products. In contrast, if this company advertised to the youth, it would be utterly beneficial owing to the fact that GenZ is the one who loves new technology. Therefore, a business needs to know their audience.

Why is it important to establish your brand? Simply because in this way you will look "appealing" to potential customers. For instance, if a customer (who seems to be interested in these kinds of services) sees an advertisement on instagram about a hair salon, and they feel that it looks promising, they will book an appointment. Yet it does not stop there. If indeed the hair salon is proven to be good (which depends solely on the business, not the advertisement) then this customer will bring in more people through mouth to mouth advertising. To simply put it, the customer is utterly happy with the hair salon they went to, they will talk to their friend about it and will unconsciously advertise it which will lead to their friend trying this hair salon out. As a result, more customers will come to the hair salon and their profit will tremendously increase.

When all is said and done, developing your brand through getting to know your customers is the ultimate key to success. To quote Steve Jobs, "You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new."

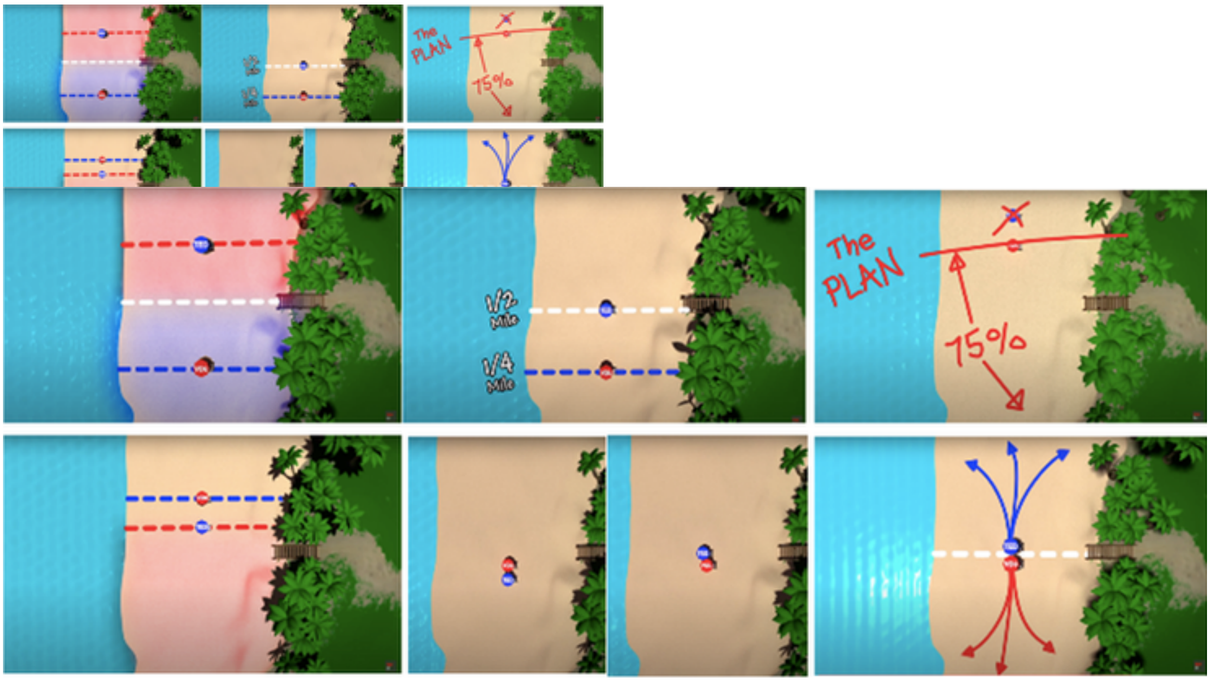
(1)https://www.shopify.com/blog/how-to-build-a-brand

Why do similar shops always launch right next to each other?

Were you ever driving, desperately looking for a café or a convenience store, and only tens of miles later, you find 4 or 5 different ones standing exactly right next to each other? Have you ever taken a restaurant recommendation from a friend, but after reaching the location, you find the whole street beaded with great places that you just get overwhelmed to decide? Theoretically, wouldn't these brands achieve better success if they were equally scattered around the area, each being more conveniently available for more customers with the relatively lower competition? However, companies chose their locations only after careful study, and this phenomenon is certainly intentional and explainable by the Model of Spatial Competition.

To explain this theory, a simple hypothetical scenario will be proposed. Imagine you decided on a particular summer day to sell ice cream on the local beach. When you arrive, you don't find anyone selling ice cream other than you. So, you strategically decide to set up your cart exactly in the middle of the beach, so you be at equal walking distance from customers on both sides of the beach. That week, you succeed at selling all the ice cream you have.

However, the next week, you go to the same beach with even more ice cream containers, only to find another man pushing an identical ice cream cart towards the same spot. You both get surprised and stop to discuss the situation. Ted seemed very understanding, and you agree to compromise so that each of you gets only 50% of the customers. You decide to divide the beach into two imaginary parts, and each sets up his cart in the middle of that part (refer to Figure A below). Again, everything runs smoothly for the week, and you start feeling lucky to have a friend for a competitor. But you go the next day only to be struck by the most appalling sight.



Ted had come earlier that day and set up his cart in your first spot, right at the middle of the beach, maximizing his customer reach and leaving you with less than 25% (as illustrated in Figure B). You feel frustrated and plan to arrive earlier than him the next day, and instead of parking your cart in the middle as he did, you decided to take his original spot at the beginning. You stand right in the middle of his half, so you now occupy more than 75% of the market, leaving him only with the few behind you (refer to Figure C). When Ted arrived, however, he does not seem very surprised. He simply does what had never crossed your mind.

He quietly sets up just in front of you (as in Figure D), jeopardizing your whole plan. By switching positions, he instead becomes who occupies about 75%. The next day, you do the same trick, and you park in front of him instead. But then he parks in front of you again, and you do the same once more (as in Figures E&F). You keep on switching places back and forth until you are both parked in the middle (Figure G). You finally stop there because if any of you proceeds further forward, it won't be of benefit to either.

It might be confusing and perhaps seeming a bit childish, but it is very applicable in the real world. Putting it into theory, at first, when each was in the middle of their half (Figure A), it was what is called a Socially Optimal Solution (S.O.S.). It's optimal because the carts are easily accessible to all customers on the beach. However, this was only hypothetical and not practical in today's competitive world. Both you and Ted had the chance to push your carts further towards each other and gain more of each other's customers, which you continue doing until you are both back-to-backs in the middle (Figure G). This situation is known as Nash Equilibrium. In other words, both you and Ted are currently in a position where you cannot move your carts anymore to gain any more customers, so you finally stay as you are. However, this position is not a socially optimal solution (S.O.S) anymore, as all customers must travel much more now to reach your carts. *

Think about this and try applying it everywhere you go like malls, airports, street drive-thrus...etc. You will notice the same applying to companies ranging in sizes and fields from bazaar booths and food trucks to multinational chains of fast-food restaurants, luxury clothing retailers, car showrooms, or even at the beach when you want to buy ice cream!

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**Story had been retold from TED-ED's "Why do competitors open their stores next to one another?" video. Can be retrieved from:*
https://www.youtube.com/watch?v=jILgxeNBK_8

Suzana Ezzi. Economy Club

Why is crude oil so abundant in the Middle East?

Petroleum, often known as crude oil or oil, is required for everything from the automobile you drive to the bubblegum you chew. Petroleum, in addition to being a key component in many import and export commodities, provides more than one-third of our worldwide energy. In addition, we can extract nearly everything between metals and chemicals. However, crude oil, like any other valuable resource, is not equally abundant in all countries. According to ES Energy, the Middle East has six of the top ten nations in terms of oil reserves. The area accounts for 48.5 percent of world petroleum reserves. According to OPEC (Organization of Petroleum Exporting Countries), “79.4 percent of the world's proven oil reserves are situated in OPEC Member Countries, with the majority of OPEC oil reserves in the Middle East accounting for 64.5 percent of the OPEC total.” But why is this the case?

Crude oil is a very valuable resource that aids nations in their production and exports. However, each sample of oil is unique; the oil's composition, density, and the number of usable components are all variables that might fluctuate owing to the location of the oil reservoir. Oil is formed when plants and animals in the ocean die in a specific body of water. Over time, decay matter and water nutrients combined with water moisture build. Due to thehigh levels of pressure and temperature, the mixture gradually transforms into hydrocarbons and ultimately crude oil. Given the high temperature of the crude oil, it tends to ascend closer to the surface owing to convection currents; as a result, oil is drawn to places with lower pressure from the top. Petroleum, for example, will rise higher in soil-covered regions than in rock-covered ones. They build soil reservoirs when the oil sites are settled. After thoroughly comprehending the process of crude oil creation, we can now seamlessly transition into why it is more abundant in the Middle East than in other regions.

The true explanation is inextricably linked to the well-known Pangea phase. The first idea proposed by scientists is that the Middle East was not always a desert. The Arabian Peninsula was once close to a body of water known as the Tethys Ocean (on the eastern side of the land). The Tethys Ocean is extremely nourishing due to the many fertile rivers that feed into it. Bacteria and other unicellular creatures began to build shelter due to the presence of numerous essential nutrients. Following the death of such fluids, the most condensed and rich combination is created with the assistance of organisms and nutrients. Following that, the process of oil creation will continue and accumulate under the newly divided area, the Middle East. We shall have oil reservoirs under random lucky nations after the plates shifted and produced today's map.

Another factor that distinguishes the Middle East's geography is its placement during the mid-cretaceous period of global warming. Similarly, to now, the world suffered global warming throughout this period, which resulted in sea level rise. As a result, the Tethys Ocean covered more of the area that would eventually become the Middle East, enriching the land even more with live marine animals such as planktons. Another factor for the MiddleEast's abundance of oil is its geology.

The Middle East's porous rocks function as a permeable surface. As a result of the above-mentioned reduced pressure, petroleum will be drawn to the reservoir. According to ScienceDirect, permeable rocks are crucial in the development of oil reservoirs. All of these and other factors contributed to the Middle East's wealth in oil, natural gas, and other commodities. Although oil is a highly wealthy substance, we must all shift our reliance away from oil and toward alternative sustainable resources such as solar power because it contributes to global warming and many other global issues.

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The Bizness Program Team