

The Effectuator:

An App Based Entrepreneurial Method

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Outline

- What is Effectuation?
- Effectual Thinking
- The Effectuator App



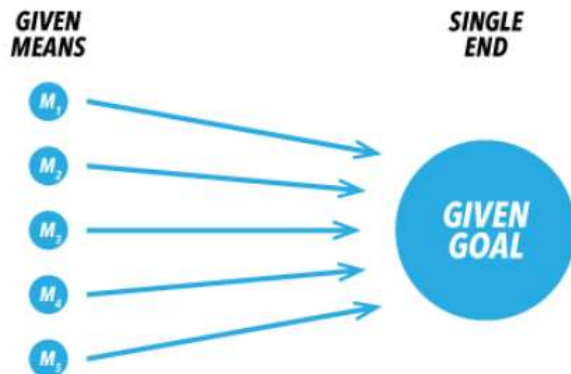
WHAT IS EFFECTUATION



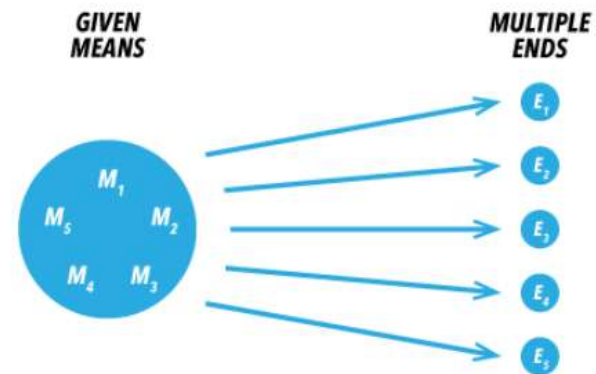
What is Effectuation?

- A different logic concerning how entrepreneurial individuals think about ideas

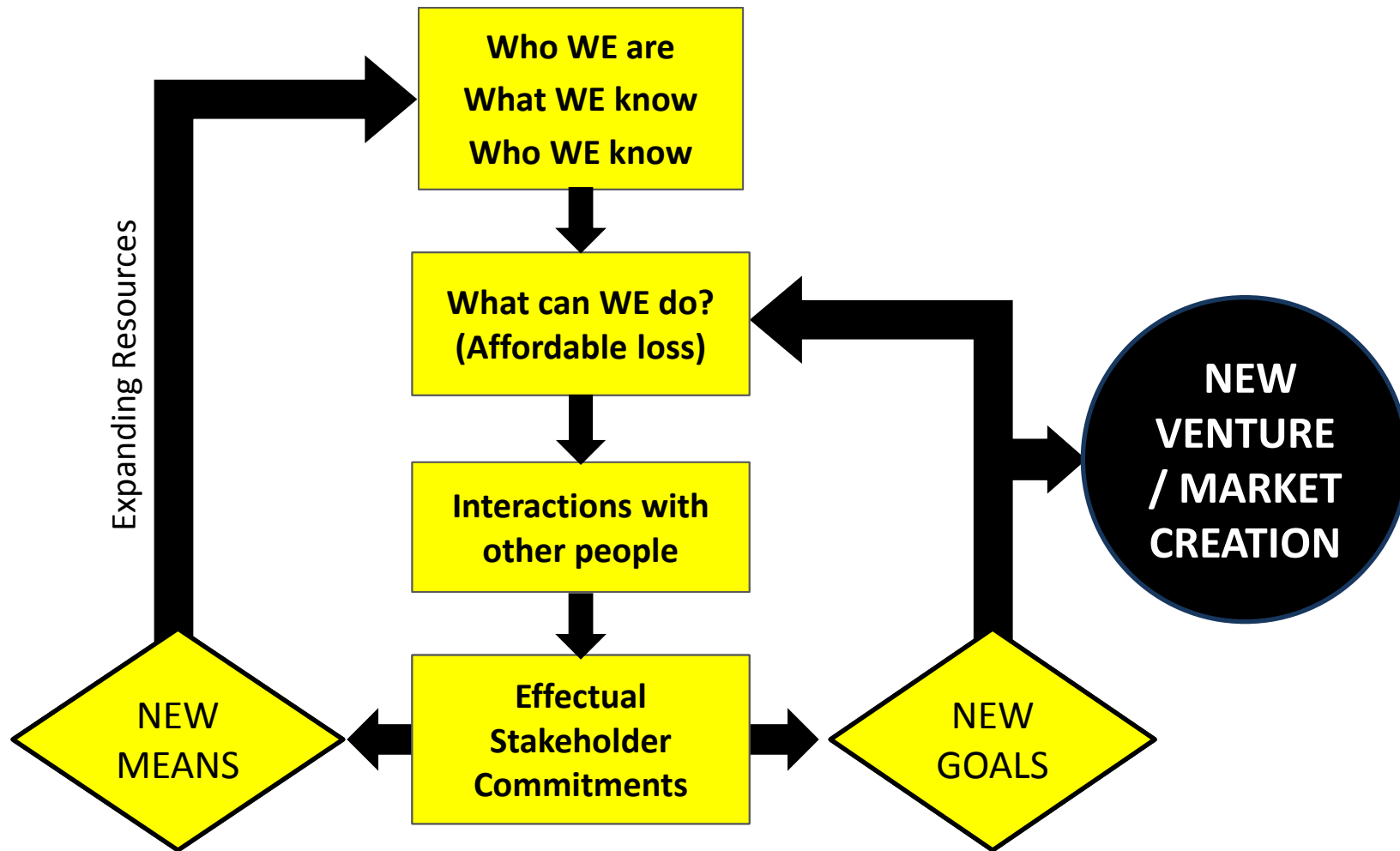
Causal Thinking



Effectual Thinking



Theory of Effectuation



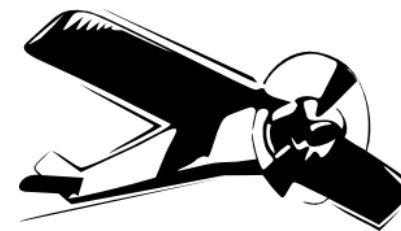
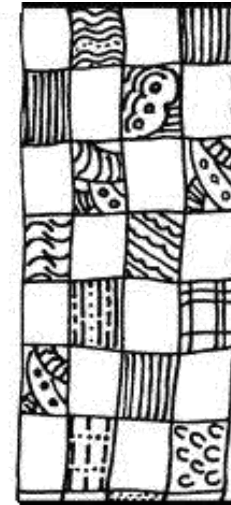
Principles of Effectuation

- **Bird in Hand Principle - Start with your means** rather than wait for the perfect opportunity. Start taking action, based on what you have readily available
- **Affordable Loss Principle - Set affordable losses** and evaluate opportunities based on whether the downside is acceptable, rather than on the attractiveness of the predicted upside.



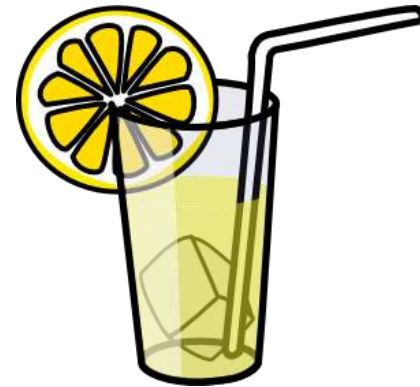
Principles of Effectuation

- **Crazy-Quilt Principle - Form partnerships** with people and organizations willing to make a real commitment to jointly creating the future--product, firm, market--with you.
- **Pilot the Plane – Take control** and remember that the future is in the making and not predetermined



Principles of Effectuation

- **Lemonade Principle - Leverage contingencies** Embrace surprises that arise from uncertain situations, remaining flexible rather than tethered to existing goals.



EFFECTUAL THINKING



Preparing Dinner



When you go to cook dinner how do you cook?

1. Have a specific menu, shop for the ingredients, follow the recipe

Or

2. Have a look in the fridge, see what's in date and make dinner accordingly



Cooking Dinner

- Both causal and effectual approaches will get dinner cooked
- Both for causal and effectual approaches demand skills and training
- But...



Having Prepared Dinner...

... effectual reasoning requires more...

Imagination

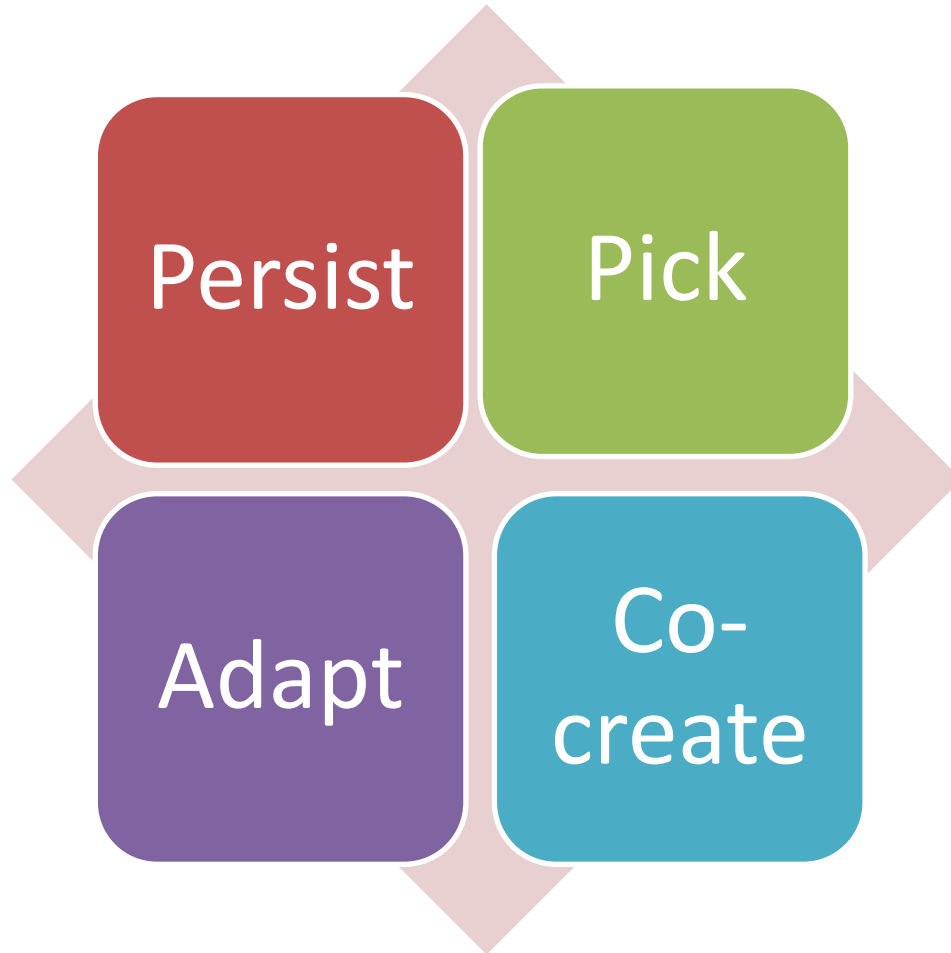
Risk-taking

Spontaneity

Salesmanship















THE WORKSHOP TASK



Effectuation in Practice!

We want you to think about how you might effectually go about setting up a **FOOD RELATED**


 EFFECTUAL TASK – MEANS, LOSS & IDEA Name: _____		
IDEA		
MEANS		
who you are	what you know	who you know
		
		
AFFORDABLE LOSS	How relevant are your means to your idea? <i>Note them 1-5 in the boxes above</i>	
	EFFECTUATE YOUR IDEA Devise your idea to make better use of your means!	

 EFFECTUAL TASK – GROUP DEVELOPMENT
Group Development Discuss the effectuated ideas each member has developed (SHEET 2) and select the one you think has the most potential. Now as a group undertake the effectuation process again – list all of the relevant means for developing the idea and also include any new means. List and include any resources you have to invest that you could afford to lose and also include any new resources that you might think of. Prepare your ideas to present to the group describing where the idea came from and how it developed.

 EFFECTUAL TASK – EFFECTUATING IDEAS Name: _____
A: As a group discuss ideas and resources – which idea could maximise your combined resources? Are there any key resources you are missing? What you thought of any you could add?
B: Who do you know who will definitely buy from you (one-comm)? Can you change your idea to improve this?
C: How much of money and b) time would you need to make this happen? Looking at your affordable loss, can you afford it?
D: If the answer is 'no' go back to step B, go 'effectuate' your idea again, or take a new idea!



Effectuation in Practice!

 **EFFECTUAL TASK – MEANS, LOSS & IDEA**
Name: _____

IDEA

MEANS

who you are	what you know	who you know
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

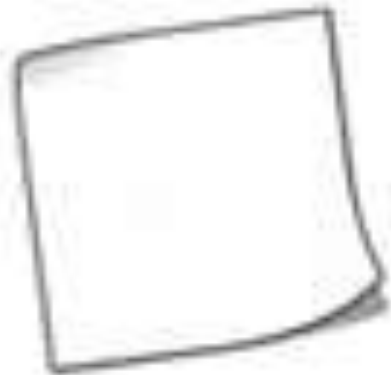
On sheet 1 enter your idea and independently provide 2 examples about you which might be relevant:



Affordable Loss

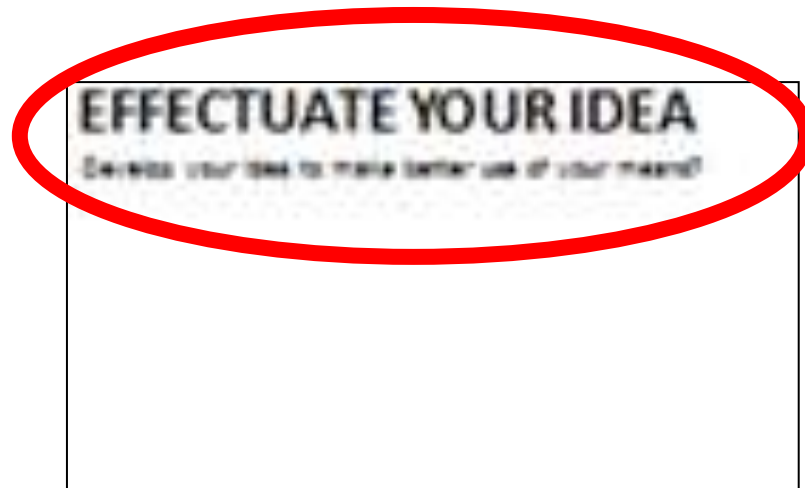
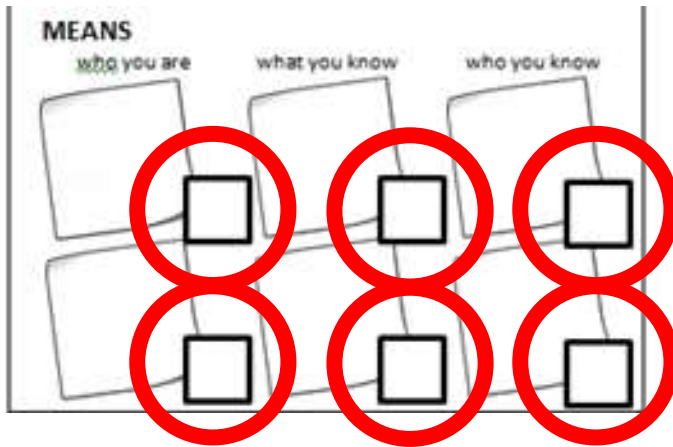
Independently provide examples about what you would invest into the business and afford to lose (e.g. time, money etc..)

AFFORDABLE LOSS



Idea

How useful are your means in relation to your idea? Rate them 1-5



Think about how you could effectuate your idea to make better use of your means



Building A Group Idea

Share your ideas with the group and decide on one idea to develop...

Re-effectuate and identify other examples of who you are, what you know and who you know

Develop and adapt your business idea...



Feedback to the Group



Pitch your idea back to the group in 3 minutes....

Explain the effectuation of the idea and how it developed



THE EFFECTUATOR APP



Why the Effectuator

“This app helps you to develop entrepreneurial ideas and business opportunities in a more 'effectual' way that can produce stronger and more innovative outcomes”

- Mobile app based to promote usability



Using the Effectuator

“The ultimate goal is to get you to imagine more entrepreneurial possibilities and make better use of your means (i.e. who you are, what you know and who you know).”

- 3 main steps: Profile, Idea and Effectuate



Using the Effectuator

Goal: to get you to imagine more entrepreneurial possibilities and make better use of your means

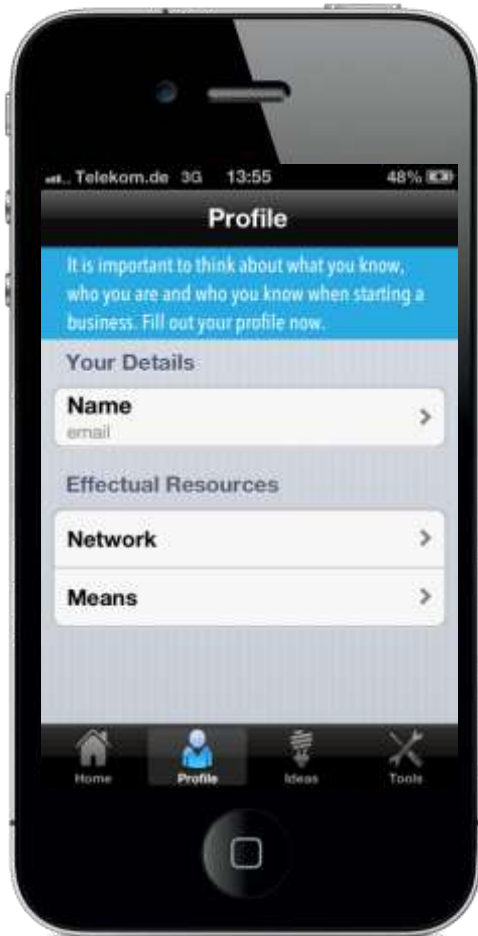
1) Complete profile

2) Enter your ideas

3) Effectuate = play with possibilities



Profile Building



- 1) Fill in your details
- 2) Add your networks
- 3) Add your means (eg experience, skills, hobbies....)

More info now equals better effectuation later!



Adding Ideas



What is your idea?

How useful are your networks?

How relevant are you means?



Effectuating Ideas

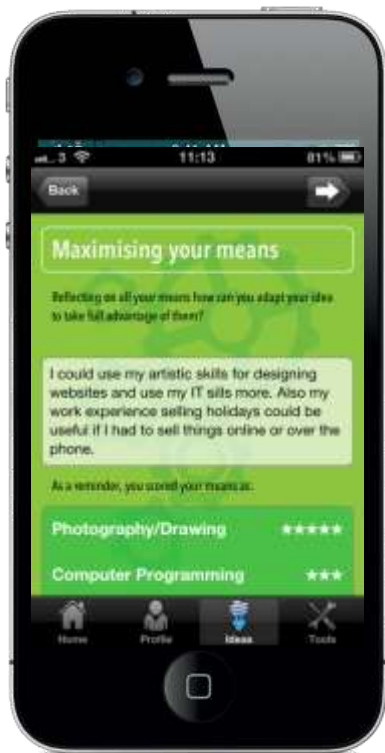


Think about how you could change your idea to make better use of:

- Who you are
- What you know
- Who you know



Effectuating Ideas



Who do you know who will definitely buy from you (pre-commit)?

Can you change your idea to improve this?

Can you afford it?



Toolbox Content

- The 'Toolbox' contains some additional background and resources on effectuation
- Additional recommended reading on effectuation
- General info about app development team and funder
- Standard terms of use agreement



Download the App NOW!

- Search 'effectuator' at the app store for the free download

