Innovation and Entrepreneurship: The Case of Afe Babalola University
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ABSTRACT
Innovation has been defined variously by authors. An all encompassing definition describes innovation as the successful introduction of a new thing or a method which is put into economic use. The entrepreneur is an innovator, who is at the center of an integrated model of economic development. This paper examined the goals and sources of the innovation and entrepreneurship, and applied it to the motives of Aare Afe Babalola to embark on the founding of a university, a social project that is highly capital intensive, without a profit motive. Afe Babalola suffered deprivation and hardship while growing up. Yet, he was not deterred. He achieved greatness by dint of hard work and self development. In spite of his great childhood challenges, he decided to give a substantial part of his life investment back to humanity. Dissatisfied with the decay in the university education in Nigeria, he found the university with the main objective of reforming education in Nigeria by example. The university which started on January 4, 2010 has been acknowledged as the best and the fastest growing private university in Africa. The paper made recommendations for the sustainability of the institution.

Keywords; Innovation, entrepreneur, invention, creativity, succession

INTRODUCTION
Innovation has been defined variously by authors. It has been defined as a change in thought process for doing something or the useful application of new inventions or discoveries. An all encompassing definition is the one given by Lueck and Katz (2003), which describes innovation as the successful introduction of a new thing or a method, an embodiment, combination or synthesis of knowledge in original, relevant, valued new products, processes or services. Often time creativity and innovation are interchangeably used by some authors. This is misleading. Creativity is the basis of innovation while innovation is the end product, the successful implementation of creative ideas. Similarly, some get confused in differentiating between invention and innovation. In business, invention is expressed as the conversion of cash into ideas while innovation is the conversion of ideas into cash. Innovation is the end product of invention. While invention carries no risk to the organization, innovation typically carries with it a lot of risks. An invention becomes innovation only when it is put into economic usage. Innovation usually improves performance and growth in business or social organizations through the following ways; efficiency, productivity, competitive advantage, market shares etc.

The entrepreneur is an innovator (Schumpeter, 1934). He places the entrepreneur at the center of an integrated model of economic development incorporating a theory of the crisis of the capitalistic system. The model began with a circular flow, an unchanging economic process, which merely reproduces itself at constant rates in a closed domain, with an absence of innovators or entrepreneurs. The model, which assumed perfect competition, full employment, without capital accumulation and no technical change, helped to bring out in a clearer way the impact of the emergence of entrepreneurs. Schumpeter, (1934) argued that an entrepreneur who is motivated by money profits introduces an innovation which consists of a new production function or raising the marginal productivity of the various factors of production flows into this model. The orthodox assumptions that business behaviour is ideally rational, prompt, similar for all firms, appropriates within the precincts of tried experience and familiar motive, break down when the business community encounters new possibilities of business action which
are as yet untried and about which the most complete command of routine teaches nothing.

GOALS OF INNOVATION
The entrepreneur sees profits as the premium for innovation. Innovation however sets up only a temporary monopoly gain, which is soon wiped out by imitation. For profits to continue, it is necessary for an innovator to maintain one step ahead of rivals with innovations because once a new production function has been successfully set up, imitation becomes easier for competitors. However, absolute imitation does not often present itself, as techniques developed outside the firm must be adapted to its own circumstances. This is especially true in the case of a firm that operates in a less developed country but borrows technology from an advanced economy with different relative factor prices. This author does not share the general clamour in the developing countries for transfer of technology as it is simplistic and misleading. With few exceptions, even the simplest first processes cannot be lifted bodily from an industrial country and established unchanged in a non-industrial country and this is more so for advanced and more industrial processes. In almost every instance, innovation imported from industrialised country will have to be adapted to the new environment in order to make effective in the non-industrial country for which the facilities by which it was developed in the industrial country do not exist. And there is no automatic advance from one stage to the next. At every point new problems must be solved whose solution cannot be obtained anywhere else. Hagen (1980) admonished that the course of industrialization in any country must, to some degree, be created within that country.

Other goals of innovation include the following:

- The introduction of a new product which may be completely new to the consumer or modified to extend product range
- The introduction of a new product to meet an unmet needs
- The introduction of a new production function that reduces input costs, with consequent drop in product costs or a product that reduces environmental damage or makes more compliant with government or professional regulations
- The opening of a new market
- The conquest of a source of supply of raw materials
- The breaking of a monopoly position and
- The carrying out of a new organization of an industry

SOURCES OF INNOVATION
Innovation may emerge from various sources such as:

- From the entrepreneur or his agents who may wish to achieve one or more or a combination of the above listed goals. This may be through research and development (R&D) which is often, time consuming and expensive or by the agent of the entrepreneur in the course of the agent's performance of his official duties
- From the end user who is not sufficiently satisfied with the existing product performance
- From a private professional who is constantly involved in the act of research and development.

THE CASE OF AFE BABALOLA UNIVERSITY
The University which started operation in January 2010 was founded by Aare Afe Babalola with the main objective of reforming education in Nigeria by example. That is an innovation in the operation of the university system in Nigeria. Babalola believes private individuals should stand up to the challenge of providing qualitative and affordable tertiary institutions as it is done in other nations of the developed world where the quality and performances of graduates produced will be at par with the competitive world field. A university where there are established code of conduct, rules and regulation and disciplinary measures which are pursued rigorously and religiously.

The Goals of the University are:
- To be a world class educational centre of excellence in academics, character, sports and vocational development
- To be a result-oriented institution for producing highly skilled and socially relevant graduates capable of applying scientific knowledge for the resolution of social problems.

These goals are guided by the need to
- Produce professionals who are sound and agile.
- Through the university, its academic and professional programmes, its graduates will emerge as people with professional skills and
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become leaders, achievers, self reliant, kind, generous, considerate and sportsman like.

- Students shall be made to believe in the Babalola’s golden rule that no matter one’s background, nothing is impossible; and with hard work, one can make it to the top.

This vision is in line with the policy of the Nigerian government which encourages public-private partnership in educational development.

Afe Babalola was born about 1931 (Babalola, 2008). His only formal education was in the primary school between 1938 and 1945 where he obtained the primary six school leaving certificate. He acquired the degree of BSc. Economics form the University of London in 1959 as an external candidate. He thereafter studied law as an external candidate of the London University. Since it was mandatory for a law student to be in an inns, he had to go to the Lincoln’s Inn, London to complete his bar examinations and to become a registered member of the Bar of England and Wales. While in London, he visited the Secretary to the Senate of the London University, Babalola was described as “the wonder man who specialized in private study” (Babalola, 2008:49). He obtained the degree of LLb honours of the London University as an external student in 1963.

WHAT ARE THE FACTORS THAT MOTIVATED AFE BABALOLA TO FOUND A UNIVERSITY

The following factors have been argued to aid innovation. They include:

- Recognized need
- Competent people with relevant technology
- Financial support.
- Demand and supply
- Survival need
- Achievement need
- Social setting
- Derogation

Recognized need: The axiom that recognized need encourages innovation has been found not to be always true. History is replete with examples of innovations, which occurred independently of any practical need, or which more frequently, failed to obtain a sponsor or market. For example Cole (1959) contended that the Stanley steamer automobile in the United States in the early part of the twentieth century failed, not because it was inferior to other automobiles with the internal combustion engine, but because of the Stanley brother’s failure to mass produce the automobiles soon after it was developed.

However, the appointment of Afe Babalola as the Pro-Chancellor and Chairman of Council of the University of Lagos brought him into the mainstream of university administration. That exposed him to the myriads of problems confronting university education in Nigeria. He therefore, determined to make a difference hence, the decision to establish the Afe Babalola University.

Competent people with relevant technology: Innovation had been found to occur when innovational persons existed. He was at various times a pupil teacher, a secondary school teacher, Vice Principal, University teacher, economist, auditor, administrator farmer and educationist. Afe Babalola has been involved in the development of tertiary institutions in Nigeria since 1980 (Babalola, 2008). He is a phillantropist, an innovator and entrepreneur.

Demand and supply: In the critique of the thesis that, exports to the industrial countries were the “engine of development” in newly developing countries in the 19th century. Kravis (1970) showed that the differences between superior, middle and inferior export performance by these countries depended much less on differences in world demand for their products. Some energetic and innovational countries gained increased share of the world market whilst others lost part of theirs. He argued that if a vigorous innovating spirit is present among the people of a country at a time when world demand for one of the country’s major products is rising or is in prospect, the opportunity presented is likely to channel innovational talent into improvement in the methods of making the product. If a vigorous innovating spirit is not present, the country is likely to rest on its oars without innovating and enjoy the prosperity that has come its way. This author found that, there is high demand for university education in Nigeria as less than thirty percent of applicants for admission gets placement in the available universities. The Afe Babalola university which started with two hundred and forty students in three colleges in its first academic session has admitted double that figure in four colleges in its first batch of admission for its second session. The university has been described as the fastest growing private university in Africa (Anon, 2010).

Survival and achievement: The motive to innovate has been found to be especially strong in people who have no other chance of achieving social distinction. Such people are motivated by the will to conquer. They are propelled impulse to fight for recognition, to succeed just for its sake, not for the fruits of success.
but for success itself. The financial result is a secondary consideration or at all events, valued as an index of success and as a mark of victory. Finally, there is the joy of creating, of getting things done, or simply of exercising one’s energy and ingenuity. (Schumpeter 1934). Afe Babalola recounted one incidence that has remained indelible in his mind as a child. He recounted that for fear of corporal punishment for being late to school on a raining day, he had to go in the rains to school. Rather than empathizing with him for going to school in the rain, two of his uncles who were watching him made jest of him in the following dialogue in Babalola, (2008: 19-20);

The first uncle; “Look at this boy, He is shaking and shivering and yet, he wants to go to school in the rains to Okesha- 21/2 miles away.” His second uncle responded thus; Don’t mind him and his father. The father has only one son. Instead of making use of him to carry his hoe and cutlass, he decided to send him to school! Continuing his first uncle added rhetorically; What is he going to do with his education? Nothing. He will come back to the farm, retorted the other. As a young boy Babalola did not say a word but never forgot what they said. There and then he vowed within himself to be successful in his studies never to return to the farm as a professional farmer.

Social setting: If a native group, too deeply rooted in their culture is regarded as alien in a society, they may decide to be innovative and distinct by way of dressing, by their manners and traditions even if deviant in some respects. If such group forges ahead economically in fields that have traditionally been distasteful, a problem is created for the rest of the society. The derogators if the hither to inferior person achieves economic success may now become inferior economically. Then a familiar principle of sociology comes into play, the principle that it is relative status, not absolute position that moves people (Epstein,1962). In spite of his brilliance, his application for a federal government scholarship to read MSc. Economics after his BSc. Economics was impliedly refused because, instead of an award for MSc. Economics, he was awarded a down graded scholarship to read Diploma in Estate Management in a Nigerian College of Technology after a degree of BSc. Economics (Babalola, 2008). This was possible because he was of lowly placed background who had no person in the high places to plead his cause. He was therefore determined to achieve success in future.

Derogation: In 1962, Hagen (1962) reported the historical developments in seven countries that the sense within any social group that leading groups in its society of the same blood and general culture looked down on it tended to create within the group the need to excel, a concern that children must be capable, so that they can overcome or discount the derogation, and a corresponding joy in their little achievements, that will arouse the need for achievement. Thus derogation, it was argued, is a source of the talents that lead to innovation. Babalola was the son of a farmer who though was hard working and very brilliant yet, did not get recognized because farming was of low value. No wonder, Babalola read law and pursued it to the pinnacle of his career as a Senior Advocate of Nigeria (SAN). He had mentored many lawyers amongst them, many Senior Advocates of Nigeria (SAN), several Judges and Attorneys’ General.

RECOMMENDATIONS;

Many privately owned enterprises in Nigeria have collapsed soon after the demise of their owners simply because of poor management structure, lack of well laid out succession plans and the over-involvement of family members. These issues must be adequately addressed for the enterprise to outlive the entrepreneur.

Management structure; The pattern of governance of ABUAD has been structured to remove all unnecessary administrative bottlenecks (Anon, 2009). It is organized in tandem with the standard university administration, put in place by the National Universities Commission These organs must be empowered to function appropriately. In order to achieve efficiency and effectiveness of administration, deliberate efforts must be made to ensure that the principle of the unity of command is not violated by any member of the administration.

Well laid out succession plan; The following succession plans must be put in place. They include; human capacity, capital, infrastructural development and maintenance and Research and Development.

Human Capacity; One Nigerian Chief was reported to have said that, “Success without succession is no success.” This author shares this view. A well laid succession plan must be articulated and put in place. Many enterprises have been found to fail because the entrepreneur assumed that their children or wives or relation would take up the management of the business when they become inactive or cease to exist. Regrettably, because the successors had not
been sufficiently developed for such responsibilities, they failed and the business also failed.

**Capital;** The founder has established an endowment fund which is expected to provide sponsorship for about five hundred brilliant and indigent students of the university in perpetuity (ABUAD, 2010:4). The endowment programme should be regularly reviewed and re-launched annually to sustain awareness and take care of the regularly increasing inflation. Although, the university is not a profit making project, the university has established the ventures arm which is self sustaining and profit oriented. It is important that the ventures outfit be managed by qualified, competent and experienced professionals for effectiveness. Controls must be installed within the outfit to make it mandatory for all its activities to be guided by planned and approved annual budgets, quarterly financial reports and annual audited accounts.

**Infrastructural Development and Maintenance;** Many infrastructural projects in Nigeria had been reported to fail soon after commissioning because maintainability was not built into them (Lawal, 2000). It is recommended that appropriate maintenance plans be installed in the university. Such plans must be adequately provided for in the annual budgets of the University.

**Research and Development;** The academic planning and the Research and Development activities must be strengthened to ensure regular review of the academic programmes of the university and put the University at least a step ahead of its competitors.

**The over involvement of family members;** While it is necessary to assist extended family members, one very important problem in the survival of business enterprise is the active involvement of members of the extended family. The extended family firm is ubiquitous in non-industrial societies. Extended-family ownership and management of a firm has been attacked as inimical to entrepreneurship. Its main criticism is that obligations to relatives force the extended family firm to dissipate its capital in loans or gifts to family members when these are requested and employment of incompetent persons (Nafziger, 1969). In assisting members of the extended family, merit must not be sacrificed for mediocrity.

**CONCLUSION;**
Afe Babalola as an innovator and entrepreneur who has achieved greatness. He suffered deprivation while growing up. Yet, he was not deterred. He achieved greatness by dint of hard work and self development. In spite of this, he decided to give a substantial part of his life investment back to humanity, believing that what is perceived to be impossibility can and should always be made possible. This project, ABUAD has been described by the Chairman, Screening Committee of Private Universities of the National Universities Commission (SCOPU, 2009) as “...a reference point for us in SCOPU. They helped us to raise the quality bar for private universities. Those coming after Afe Babalola University will have a higher hurdle to scale.” A recent past president of Nigeria and a university proprietor described ABUAD as “…a unique sample of private university with finesse, purpose, commitment and self sacrifice by the proprietor. More like this will change the panorama of tertiary institution and education in Nigeria. It is a model emulate.” (Obasanjo, 2010).

All the tiers of government should provide infrastructure, stable political and economic environment that will encourage more investors in education and other social services. Government should also give a five year tax free moratorium period to investors in education.

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